CANADA

HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Tuesday, January 21, 1969

The house met at 2 p.m.

ORAL QUESTION PERIOD

GRAIN

VANCOUVER, B.C.—REQUEST THAT STEPS BE TAKEN TO EXPEDITE SHIPMENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question, preferably to the Minister of Industry, Trade and Commerce, or the Minister of Agriculture. I ask whether in light of the continued congestion at Vancouver, which according to the January 17 market letter of James Richardson and Sons Limited—this was only last week—caused the loss of an additional 17,000-ton wheat sale to Japan, the minister could tell the house what concrete steps the government is taking to move the requested grade of grain to the ships waiting in Vancouver harbour?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am in no position to comment on the allegation that a sale to Japan was lost because of this situation; I would have to check. But I have already explained to the house that we are confronted in Vancouver with a situation that results from weather conditions, obviously, also from the desire to ship to terminal elevators for drying purposes as much damp grain as possible, and finally from the growth, unexpected in some cases, of exports. As I indicated before, and as my hon. friend knows, sales that were to be made by the United States to Japan have been made by Canada. This has created a situation in Vancouver from which we are trying to get out. All efforts are being made by the transportation committee and its subcommittee in Vancouver to remedy the situation as quickly as possible.

Mr. Stanfield: A supplementary question, Mr. Speaker. I do not make any comment on the explanation given by the minister with regard to why we are in this position. I would like to ask the minister whether he would take an early opportunity, this week I would hope, to spell out the concrete action the government is taking and proposes to take to meet the difficulty in which it finds itself. I am not asking the minister to explain now why we are in this position, but I ask whether he will make a statement on motions as to what concrete action the government proposes to take to get the western farmer and the country out of this difficulty.

Some hon. Members: Hear, hear.

Mr. Pepin: Mr. Speaker, I have already indicated that all possible steps are being taken. I have also recognized that a serious situation was created by the causes that I have also indicated. A few days ago the hon. member for Mackenzie came into the house with statistics, saying that there were 1,000 fewer car loadings as compared to the same period last year. I have checked on that, and find it is not the whole truth. The whole truth is that cars loaded for Vancouver—

Mr. Speaker: Order, please. I wonder whether the minister would not agree that we are becoming involved in debate. My understanding of the question asked by the Leader of the Opposition was whether a statement would be made on motions.

Mr. Stanfield: A further supplementary question, Mr. Speaker. In other words, I am asking the minister whether he will tell the whole truth, including the concrete steps that the government proposes to take to deal with this problem.

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question to the minister, Mr. Speaker. I wonder whether the minister would go out west and really see the conditions on the prairies today, in order to realize the awfulness of the situation. I ask him at the same time whether, in view of the high authority of James Richardson and Sons Limited, he would consult the Minister without Portfolio from Manitoba and learn something about the wheat situation.

Mr. Speaker: Is the hon. member for Mackenzie rising on a point of order?

Mr. S. J. Korchinski (Mackenzie): Yes, Mr. Speaker, on a point of order. I believe it is

also a question of privilege because the minister suggested I came into the house with some untrue figures. I received those figures from the Dominion Bureau of Statistics and, if he likes, I am prepared to give him this information.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, on this matter of ships in the Vancouver harbour, may I ask the minister, in view of the information which I received only yesterday from the harbourmaster of Vancouver to the effect that the number of ships awaiting cargo has now reached such proportions that 16 have had to be anchored in English Bay, and not in the inner harbour, whether for reasons of public relations, he would consult with the Minister of Transport to consider the possibility of foregoing the $2,500 a day demurrage on ships held there through no fault of their own?

Mr. Pepin: Mr. Speaker, I have looked back at the record for former years and I have found that even when the situation was far from being as dramatic as it is now, requests were being made for the payment of demurrage by the Canadian government; so this situation is not new. What I am saying, however, is that short of going there myself and administering the port of Vancouver, and dealing with box car assignments myself, which would be highly undesirable, the government has done everything that needs to be done to ensure that the work is being carried out by the proper authorities, and by people who know about transportation and about port operations. I think that is all the government can be asked to do.

To come back to the point made by the hon. member for Mackenzie, I did not say that he did not tell the truth. I said that the statistics he used were good statistics but that they gave a wrong impression of the facts. It is true that the carloadings are down by 18 per cent, but one must consider how this figure comes about—

Mr. MacEwan: Go back to the university and start lecturing there again.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Would he consider doing what has been done before, that is appoint an individual or a controller who would go to Vancouver to co-ordinate the activities there?

Mr. Pepin: I have already answered this question five times. The reason I gave for not agreeing is that if a single man is appointed to do that job, every group might dump their problems on him.

Some hon. Members: Oh, oh.

Mr. Pepin: Instead of appointing one man we have appointed a transportation committee which brings together all the interested parties. A subcommittee has been formed in Vancouver to take care of that particular problem and the members of the subcommittee are the representatives of those who have an interest in and a knowledge of the problems. They are doing their best to get out of a very unhappy and difficult position.

Mr. John Burton (Regina East): I have a supplementary question, Mr. Speaker. In view of the fact that some of the ships in Vancouver harbour have been tied up for over a month, and in view of the many other difficulties involved in grain movement and handling over the past several months, will the government give consideration to the appointment of a grain controller to co-ordinate as well as to control and oversee all aspects of the grain situation?

Mr. Pepin: It would be desirable that members of a particular party co-ordinate their questions first.

Some hon. Members: Oh, oh.

Mr. Les Benjamin (Regina-Lake Centre): I have a supplementary question for the Minister of Industry, Trade and Commerce which I put previously to the Minister of Agriculture. Has the minister or officials of the department concerned considered the possibility and feasibility of diverting trainloads of drying grain to alternate sea ports and simultaneously diverting some of the ships? I am thinking of the ports of Prince Rupert and Seattle. Is the government looking into the feasibility of doing this?

Mr. Pepin: The hon. member suggested yesterday that we should use the ports of Seattle and Prince Rupert. I find that transportation costs to Seattle would be altogether in excess of what is acceptable. The dryer at Prince Rupert is being fully utilized at present. Ships will be diverted to Prince Rupert as quantities of dry grain accumulate at that port.

THE MINISTRY

REQUEST THAT CHANGES BE MADE

Mr. Eldon M. Woolliams (Calgary North): I would like to direct my question to the Prime Minister. I wonder if the Prime Minister would consider—and I say this seriously and not argumentatively—changing ministers and appointing in the place of the Minister of Industry, Trade and Commerce (Mr. Pepin) the hon. member for Saskatoon-Humboldt (Mr. Lang) or the hon. member for Winnipeg South (Mr. Richardson), someone with greater knowledge of the subject?

Mr. Speaker: Order, please.

Mr. Woolliams: I will bring the matter up again at ten o'clock.

Mr. Trudeau: Mr. Speaker, I would rather hear it now than at ten o'clock.

[*Later:*]

Mr. Woolliams: On a point of order. I do not know whether Your Honour noticed, but the Prime Minister wished to answer my question. In fact, he did answer it, but at that time there was a little noise in the house. I think he took the question seriously. He wants to answer it.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I doubt whether the Prime Minister should give an answer to that question.

FINANCE

SUGGESTED BANK ACT AMENDMENT TO CONTROL INTEREST RATES

Mr. David Lewis (York South): I wish to direct a question to the Minister of Finance, Mr. Speaker. In view of the statement made in a speech by the Governor of the Bank of Canada last night or some time yesterday to the effect that the changes in the Bank Act had apparently benefitted the banks more than the public, may I repeat a question which I have put to the hon. gentleman before, but in this new context? Is he prepared to consider amending the act in order to provide some control over the level of interest rates in Canada?

Hon. E. J. Benson (Minister of Finance): First of all, I am not sure the Governor of the Bank of Canada said exactly what the hon. member has implied he said. I shall be pleased to send over a copy of the speech. In the second place, the last parliament decided to lift the interest ceiling under the Bank Act and the government is not at present considering opening up that legislation.

THE BUDGET

TIME OF PRESENTATION—POSSIBLE DELAY IN TAX STRUCTURE LEGISLATION

Mr. David Lewis (York South): A supplementary question, Mr. Speaker, connected with the general position. I should like to ask the Minister of Finance whether a report to the effect that there will not be a budget this spring is correct, and, if so, whether this means that legislation to alter our tax structure will also be delayed, and will not be before the house during the present session.

Hon. E. J. Benson (Minister of Finance): I hardly think those are supplementary questions. They are two very important separate questions. First, with respect to the budget. My prime concern at present is to get the budget presented on October 22 cleared up in the House of Commons. What I said was that if conditions remain as they are now it may not be necessary to present a budget this spring. This will of course depend on the accuracy of the economic forecast, which we are looking at very closely and which is under continuous review. Then again, it will depend upon whether expenditures and revenues are relatively close to what were forecast.

With regard to the other question on the subject of tax reform, I have indicated, I think in answer to the Leader of the Opposition, that our present schedule suggests that a draft bill on tax reform will be presented to the house in June.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. Is it, then, the view of the minister that the economy of the country must be very strong indeed before it can stand two budgets of this government in a year?

Mr. Benson: No, Mr. Speaker, I think—

Mr. Speaker: Order. I suggest to the hon. member that the question as asked is argumentative.

Hon. Robert L. Stanfield (Leader of the Opposition): A further supplementary question. I should like to ask the Minister of Finance quite earnestly whether he would not consider producing a white paper with regard to tax reform prior to introducing the bill, on the ground that once the government introduces legislation even in draft form it seems to be committed to it. Would the minister not agree that a white paper might lead to more effective consideration and better results in the end?

Inquiries of the Ministry

Mr. Benson: The reason I indicated we would introduce a draft bill is that people could then take a look at it and assess the implications of the various changes on the remainder of the tax legislation. I have also indicated that the draft bill would be referred to a committee of the house, and that the government would not be bound to the ideas presented in the draft bill, but would feel free to change any of them if it were convinced by representations to the committee that such changes were in the interest of the people of Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to put a supplementary question with respect to the date of a budget, but may I direct it to the government house leader. In view of the fact that one of the principal changes that we made in our rules was to provide for a certain orderliness in our parliamentary year, which envisaged the budget coming in the spring, will the government house leader discuss this matter with the Minister of Finance? Does he not agree that if the budget is put off until the fall it will mess up the first full year that we had planned to be on a regular basis?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I will certainly be discussing with the Minister of Finance the question of the timing of the budget in the forthcoming session; that is the session following this one.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to ask a supplementary question.

A few minutes ago the minister was referring to a taxation reform and to the preliminary draft of a bill. Since there cannot be taxation without money, could he not at the same time consider a monetary reform, when the preliminary draft of the bill is studied?

[*English*]

Hon. Marcel Lambert (Edmonton West): A supplementary question to the Minister of Finance. Would the minister not agree that his budget of October 22 was a deferred budget and would normally have been presented in May of that year had there not been an election? Would he also not agree that the economic state of the nation should be reported to the country this spring, rather than at some indefinite date in the future?

[Mr. Stanfield.]

Mr. Benson: Mr. Speaker, it would be my intention on appropriate occasions to keep the members of the house informed, as they desire, with regard to the economic state of the nation. As I have said, if there are any material changes from what I forecast in my budget of October 22, I will have no hesitation in coming back to the House of Commons with a budget. This does not necessarily mean there will be tax increases, but I would explain to the House of Commons the changes that have taken place, if they are materially different from what I forecast in October.

ESTATE TAX ACT

PERMISSION TO THOSE ADVERSELY AFFECTED TO APPEAR BEFORE STANDING COMMITTEE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address a question to the Minister of Finance. In view of the very large volume of correspondence which has been received by the government and by all members of this house from those who are concerned with what they consider will be the adverse effects of the government's proposed estate tax legislation, will the minister use his good offices to assure those representing particularly the large groups, who feel they will be adversely affected by this legislation that they will be allowed to appear before the Committee on Finance, Trade and Economic Affairs to express their views, before the matter comes before the house for judgment?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, there has been a good deal of correspondence with respect to the proposed changes in the estate tax legislation, which I maintain will over-all be beneficial to the people of Canada. All such correspondence is being answered. In addition to this, I have provided information to all members of the house so that they can deal with correspondence they may have received in this regard.

Mr. Hees: A supplementary question. I think the minister will agree that his department has never received—

Mr. Speaker: Order, please. The hon. member can ask only a supplementary question; he cannot make a supplementary statement.

Mr. Hees: In view of the great importance of this matter to a great many citizens of this country, would the minister use his good influence to see that those representing these

large and importantly affected groups are enabled to appear before that committee and give testimony?

Mr. Benson: Mr. Speaker, who appears before the committee is up to the committee, not the Minister of Finance. However, I can assure my hon. friend that I will provide hon. members with all the information they desire in regard to the changes to the Estate Tax Act. I think it might also be wise if some people who are making statements in connection with this matter would properly inform themselves before so doing.

Mr. Hees: A supplementary question, Mr. Speaker. Is this the Prime Minister's idea of the government having a dialogue with the people of Canada to find out their views on important questions.

Mr. Speaker: Order, please.

HIGHWAY SAFETY

REQUEST FOR STATEMENT FOLLOWING MEETING WITH PROVINCIAL MINISTERS

Mr. Barry Mather (Surrey): Mr. Speaker, may I direct a question to the Minister of Transport about the important meeting the government house leader said the minister had the other day with the provincial ministers on the subject of highway safety. Could the minister make a statement about the outcome of that meeting, and about plans and decisions made with regard to highway safety?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think the most significant aspects of the meeting were reported in the press release. I do not know if my friend has had a chance to see it; if not, I shall be glad to send him a copy of it. In effect, the provincial governments welcomed a role for the federal government in research, in co-operation with the provinces. Furthermore they welcome the idea, if it should meet with the approval of the government and parliament, of our introducing legislation designed to control the standards of automobile manufacture at the manufacturers' level. It was a most productive meeting and, I think, a good step in the direction of close and harmonious co-operation between federal and provincial levels of government in this most important area.

[*Translation*]

NATIONAL PARKS

QUEBEC—NEGOTIATIONS RESPECTING ESTABLISHMENT

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development.

Having mentioned several times that Quebec had no federal park, while the federal government has spent $225 million in the other States during the past ten years, the minister told me that negotiations were taking place and that he might make a statement later on.

I would like to ask him now whether negotiations are still in progress between the federal government and the province of Quebec regarding the planning of those federal parks, how far they have gone, and if there is disagreement, what is it about, as it seems that everybody is anxious to get an answer on the subject?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I can tell the hon. member that we made a concrete proposal to the government of the province of Quebec in October 1968; we are still expecting its reply.

As for us, we are ready to proceed.

Mr. Fortin: Mr. Speaker, I would like to put a supplementary question.

I thank the minister for his answer, and I would like to ask him whether Quebec has acknowledged the offers made by federal government, and what they were.

Mr. Speaker: The supplementary question is of a general nature, it seems to me. I do not feel it is very urgent; the hon. member could put it on the order paper. If it is urgent, he could discuss it on the adjournment motion.

Mr. Fortin: At ten o'clock, Mr. Speaker.

[*English*]

INQUIRY OF THE MINISTRY

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is for the Prime Minister. In the interests of higher education would he identify the "pip squeak" universities he recently referred to?

An hon. Member: Is that a degree?

Inquiries of the Ministry

Mr. Speaker: Order, please. I doubt whether the question as asked is in order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I think it is a very important question. Since this government is supposedly doing all it can to support education in this country and since the Prime Minister has taken it on himself to refer to our universities as "pip squeaks", I think for the sake of our students he ought to identify the universities he referred to.

Mr. Speaker: Order, please.

FISHERIES

ACTION TO ASSIST EAST COAST GROUNDFISH INDUSTRY

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the Minister of Fisheries. Is he now in a position to announce government policy on the form of interim assistance for our east coast groundfish industry, as promised before Christmas?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the hon. member for St. John's West asked a similar question on Friday and my parliamentary secretary took it as notice. Actually, within the month we will be outlining the short, medium and long term development program for the groundfish industry in the Atlantic region. One of the main objectives of this program will be to ensure that the prices paid to fishermen will be maintained at or about the 1968 level. Measures to be taken will include loans, which will help to improve the efficiency of the groundfish industry and make all phases of the industry more attractive from the income point of view.

INQUIRY AS TO ESTABLISHMENT OF SALT FISH MARKETING CORPORATION

Mr. John Lundrigan (Gander-Twillingate): As a supplementary question, Mr. Speaker, in view of the discussion on January 16 regarding the setting up of marketing boards, could the minister say when the government will be in a position to announce that a salt fish marketing corporation will be set up?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, this matter is under active discussion and I will be discussing it with the representatives of the Newfoundland trade and federation of fishermen very shortly.

[Mr. MacInnis (Cape Breton-East Richmond).]

CANADIAN NATIONAL RAILWAYS

SYDNEY, N.S.—REPLACEMENT OF CAR SHOP

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to direct a question to the Minister of Transport. In view of the loss by fire of the Canadian National car shop at Sydney has the minister, in the interests of continued efficiency and employment, made strong representations to the management of the C.N.R. to have the shop replaced as quickly as possible and, if not, would he give the house an undertaking to take this step at the earliest possible opportunity?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I shall be glad to pass along the hon. member's representation to the management of the railway.

AIR TRANSPORT

POSSIBLE FATIGUE FACTOR IN JET PILOT OPERATIONS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, last week in a number of questions undertakings were sought of the Minister of Transport by myself, the hon. member for Vancouver East (Mr. Winch) and the hon. member for Dartmouth-Halifax (Mr. Forrestall) concerning long hours of flying by Air Canada pilots operating passenger jets. The minister undertook to reply to all those questions some time this week. Is he now in a position to answer, in view of the inherent great dangers to the travelling public?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have received a considerable amount of information since that time, but in respect to the one particular question asked by the hon. member the information supplied to me is incomplete and I would prefer to have time to get the supplementary data required before answering.

Mr. Erik Nielsen (Yukon): As a supplementary question, Mr. Speaker, in view of the limitations in that respect contained in the aeronautics legislation, concerning the hours of work within which air crews must limit themselves, is there any disciplinary action or criminal proceedings contemplated against anyone for the breach of those regulations or laws?

Mr. Hellyer: Mr. Speaker, first of all I must deny the allegation, and then go on to say that if the hon. member was talking about the

hours of work, there was not a breech of regulations but in respect to the conditions under which the landing in question took place, it is a different matter and disciplinary action was taken in the United States by the licensing authorities. In addition we suspended the licence here of the company involved for a period of time, until satisfactory assurances could be given that in future regulations would be observed.

With respect to the hours that a pilot may operate or be on duty, I may say these were worked out by the Department of Transport in co-operation with the air lines and the Air Line Pilots Association. It is now some time since they were agreed to and I understand they are presently being reviewed, with the prospect of revisions based on the experience gained since the time they were first agreed to.

Mr. Nesbitt: Would the minister give an assurance that as of now Air Canada pilots are not continuously on duty for more than 17 or 21 hours at a time?

Mr. Hellyer: That is part of the question the hon. member asked before, Mr. Speaker, and I would like to reply at once and give that assurance. Certainly I can in respect to the way the hon. member posed the question the other day, but I would like to have the total information rather than reply piecemeal.

NORTHWEST TERRITORIES

REQUEST FOR STATEMENT RESPECTING SELF-GOVERNMENT

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the Minister of Indian Affairs and Northern Development. In light of the current meetings of the Northwest Territories Council will the minister soon be in a position to tell us that he will be able to make an announcement about government policy regarding self-government in the territories?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have taken a decision on this matter and submitted a proposal to the cabinet. I hope it will receive approval within the next weeks and I expect to be in the Northwest Territories, to announce the new policy, in early February.

Inquiries of the Ministry

INDIAN AFFAIRS

REQUEST FOR STATEMENT OF POLICY RESPECTING CLAIMS

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I have a supplementary question for the Minister of Indian and Christian Affairs of Canada.

Some hon. Members: Oh, oh.

Mr. Dumont: Does anybody question that he is a "Christian?"

In view of the claim filed by the Indians on 85 per cent of the Quebec territory, what is the attitude of the government and his department about this?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, this claim was sent to the Quebec government and it will have to give an answer, favourable or not. This is not my problem at this time.

[*English*]

YUKON TERRITORY

REQUEST FOR ANNOUNCEMENT RESPECTING FORM OF GOVERNMENT

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a supplementary question to the minister with respect to the forthcoming reforms which he is going to announce regarding the form of government in the Yukon Territory. Is it his intention to announce those reforms within the next week or two, or to wait until the Sourdough Rendezvous that he will be attending in Whitehorse at the end of February?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I intend to be there, and I hope the hon. member will be present also.

As for the policy regarding the Yukon, I shall not proceed with its implementation before I have announced that of the Northwest Territories.

[*English*]

INDIAN AFFAIRS

TABLING OF STANBURY-FIELD REPORT ON INDIAN TAXATION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development, and refers to the question I put to him last Friday, which he took as notice. Is the minister now in a position to state when he will be

tabling the Stanbury-Field report on taxation of Indians?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we received that report in September. That document was prepared for the exclusive use of the department.

We are now studying this report. I do not think that we are in a position to table it now, considering that the document deals with taxation among the Indians in British Columbia and includes confidential details on certain individuals. We are studying the scope of that report. It might be possible some day to disclose its nature in the House of Commons.

We might also give new directives to the committee, because the information provided is not entirely satisfactory.

[*English*]

Mr. Dinsdale: As a supplementary question, Mr. Speaker, inasmuch as this report has a direct bearing on the current negotiations between the government and the provincial health and welfare ministers, with respect to Indian Health and Welfare Services, could the minister expedite this matter?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I can assure the hon. member that we are trying to act as quickly as possible in order to get a true picture of the situation regarding the taxation of Indians.

[*English*]

IMMIGRATION

STATUS OF CZECHOSLOVAK REFUGEES PROGRAM

Mr. Marcel Prud'homme (St. Denis): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. Will the minister assure the house that the termination of the special Czechoslovak refugee program on January 10 does not refer to applications by persons from Czechoslovakia who are genuine political refugees?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the announcement terminating the program was an announcement with respect to the special program that had been in effect for a period of some months for Czechoslovak refugees. The normal refugee principle is still in operation for persons from that country and indeed all countries.

[*Translation*]

POST OFFICE DEPARTMENT

REQUEST TO RE-EXAMINE POLICY

Mr. René Matte (Champlain): Mr. Speaker, I wish to put a question to the Postmaster General.

Does he think it is possible to review the standards that determine the closing of post offices at the present time?

Hon. Eric W. Kierans (Postmaster General): No, Mr. Speaker.

[*English*]

PROCEDURE

RECONSTITUTION OF COMMITTEE—TELEVISING OF PROCEEDINGS OF STANDING COMMITTEES AND HOUSE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the President of the Privy Council in his capacity as government house leader. In constituting or reconstituting the Committee on Procedure and Organization will he give consideration to suggesting the inclusion in its terms of reference of the possible position regarding the installation of radio and television in the standing committees, and/or in this chamber, with a view to this matter being given full consideration and with the possibility of a recommendation being made to the house?

Hon. Donald S. Macdonald (President of the Privy Council): I will consider that suggestion, Mr. Speaker, and discuss it with my colleagues. In connection with the committee, I might say that we hope at an early date to have from hon. gentlemen opposite a list of their nominees to the committee and we will discuss with them broader terms of reference, along with those discussed on December 20 in relation to the proceedings of the house.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of Transport.

In view of the statement made by Mr. Dozois, the Quebec Minister of Finance, to the effect that he would have requested a meeting with the Minister of Transport in connection with the selection of a site for the

new international airport, can the minister tell the house whether he has set the date of that meeting?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, Mr. Dozois' telegram was in reference to a further meeting with Mr. Lussier to continue the discussions undertaken some months ago with respect to a site for the new Montreal international airport. I indicated to Mr. Lussier in December that it would only be after the first of the year the government would have available to it the information required to continue with these discussions, and that I would advise him some time in the new year when a meeting would be possible. Subsequently we have been able to arrange a mutually convenient time for a meeting and I hope we will be able to come to some meeting of minds in the not too distant future, so that a definitive choice can be made by the government to enable us to go ahead with the airport.

Mr. Speaker: Order, please. May I take a brief moment to bring to the attention of hon. members that we will be running short of time very quickly. I ask the co-operation of hon. members to give as many members as possible an opportunity to ask questions. I would suggest that the questions be short, that there be not too many supplementaries and that the answers also be brief.

[*Translation*]

Mr. La Salle: I should like to ask a supplementary question, Mr. Speaker.

Could the minister tell us whether, in his opinion, Mr. Dozois' statements are of a personal nature or if they would commit the Québec government?

Mr. Speaker: I do not believe the question to be in order.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to ask a supplementary question of the Minister of Transport.

In view of the fact that we have learned from authorized sources, in fact from a Quebec government publication, that the government of that province was recommending the south shore of the St. Lawrence river for the site of the future international airport, does the federal government intend to abide by the Quebec government decision to choose the south shore as the site for the new airport?

[*English*]

Mr. Hellyer: The ultimate choice is one which must be taken by the federal government, which has the primary responsibility in these matters.

Some hon. Members: Hear, hear.

Mr. Hellyer: I do not think it would be helpful for me at the moment to enter into a discussion concerning the relevant merits of the different sites proposed, because I really feel that would not be in keeping with the agreement we made with the government of Quebec some weeks ago that we would carry on discussions at a technical level before reaching a decision and making our decision public. So I would prefer not to comment on the statement of the hon. member.

FISHERIES

LOBSTERS—APPEAL COMMITTEES TO REVIEW APPLICATIONS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct this question to the Minister of Fisheries. The minister announced that, effective immediately, an upper limit will be placed on the number of boats permitted to fish for lobsters in the maritime provinces in 1969. In view of new lobster fishermen who may be desirous of entering the industry, will the minister indicate what steps have been taken to establish local appeal committees to review applications of boat owners.

Mr. Speaker: The hon. member is asking a question which is lengthy and which should be made on motions. I wonder whether he might like to ask the minister to make a statement on motions.

[*Later:*]

Mr. Crouse: In view of Your Honour's ruling, I should like to ask the Minister of Fisheries whether he would be prepared to make a statement tomorrow on motions concerning the question I raised.

Hon. Jack Davis (Minister of Fisheries): I certainly would, Mr. Speaker, but I think the press release I made yesterday covers this matter. There will be appeal committees in each of the provinces.

INQUIRY OF THE MINISTRY

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, this question is for the Prime Minister.

Inquiries of the Ministry

Many people across this nation are perturbed owing to the fact that he, in an interview while overseas, made a statement that he was in favour of true communism. Would the Prime Minister tell the house how much difference there is between true communism and that behind the iron curtain.

VOCATIONAL TRAINING

OPPORTUNITIES FOR UNEMPLOYED TO IMPROVE TECHNICAL SKILLS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to direct this question to the Minister of Manpower and Immigration. In view of the increased level of unemployment, and in view of the urgent necessity that some of those unemployed obtained upgrading in technical skills, can the minister say whether or not there are additional funds available to those provinces which wish to improve their facilities for technical instruction.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): No, Mr. Speaker.

NATIONAL SECURITY

INQUIRY AS TO REPORT OF ROYAL COMMISSION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Prime Minister. When will the right hon. gentleman be able to table the expurgated copy of the report on security procedure.

Right Hon. P.-E. Trudeau (Prime Minister): The report is now being reviewed by the relevant government people. We are attempting precisely to find out what part of this report should be deleted, in conformity with the guide lines I laid down in an earlier statement.

FARM CREDIT ACT

ALLEGED AMBIGUITY OF GOVERNMENT POLICY

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Prime Minister. In view of the fact that increased funds were made available under the amendment to the Farm Credit Act in order to set up economic farm units, and in view of the fact that the proposed changes in the estate tax are in direct conflict with this principle, will the minister consider a promotion for one of the ministers so that we will know what the policy is?

[Mr. Noble.]

FISHERIES

CONSULTATION RESPECTING LIMITATION OF BOAT LICENCES

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to address this question to the Minister of Fisheries. Could the minister advise the house to what extent consultation was held with the fishermen in connection with the limiting of boat licences which was announced yesterday.

Hon. Jack Davis (Minister of Fisheries): A good deal of consultation, Mr. Speaker.

AGRICULTURE

MACFARLANE TASK FORCE—REQUEST FOR REPORT ON FARM INCOME AND PRODUCTIVITY

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Agriculture. Some time ago it was suggested that the MacFarlane task force on agriculture would report before next year. I wonder when we will have a final report from that task force.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there will be no final report until the end of 1969. Indeed there never has been an indication that there would be. We have asked for interim reports on certain parts of their studies so that these reports could be used as position papers for the agricultural congress which is to be held in Ottawa late in March. I believe some of these have been received and will be circulated. They will be distributed to the interested parties, the delegates to the congress. I see no reason why members of parliament could not have them as soon as they are distributed.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to ask a supplementary question with regard to the future international airport.

I should like to know if the report of the study made by the federal-provincial committee on the subject has been forwarded to the Minister of Transport or if this study is not yet completed?

[*English*]

Hon. Paul Hellyer (Minister of Transport): I have two or three reports now. I am in the process of digesting them all.

GOVERNMENT ORDERS

PATENT ACT—TRADE MARKS ACT

EXTENSION OF AUTHORITY TO GRANT LICENCES

The house resumed from Monday, January 20, consideration of the motion of Mr. Basford for the second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill C-102, to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act.

• (2:50 p.m.)

[*Translation*]

Mr. René Matte (Champlain): Thank you, Mr. Speaker, I would like to elaborate briefly on the statement I started on yesterday.

Though we agree that this legislation will have an antimonopolistic effect, we want to emphasize that it does not go far enough; it is merely a poultice. To the small taxpayer, it will feel like a light tranquilizer. At first, he will believe the price of drugs has suddenly gone down only to discover in the end that big business in the drug industry has managed once more to by-pass the law and maintain the extravagant prices we know at present.

It is a shame to take advantage of the unhappy circumstances of disease to make profits. Therefore the government should be afraid to compel all the people responsible for producing and consuming food and drugs to act fairly and above-board. Retail prices should be relevant to cost prices. The true cost of drugs should not be altered. An end should be put to the collusion that is prevalent between doctors and pharmacists.

And, above all, doctors should stop their practice of selling to their patients the drugs offered free by drug manufacturers.

Finally, Mr. Speaker, we should seriously consider, endowing the citizen with a greater buying power so that he may freely obtain whatever is essential to the maintenance of his health.

A healthy people within a healthy government, that would be the ambition of any Créditiste administration.

[*English*]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to speak on this bill with mixed feelings about its provisions. At the outset may I say I agree with the remarks of my colleagues who spoke earlier in this debate and with the feelings of a large number of people outside the house. The bill is in effect a faltering and insufficient step in the right direction. I think that most, if not all, hon. members agree there is a need for legislation of this kind. The need for a bill of this kind is very apparent. In the manufacture, distribution, promotion and particularly the cost of drugs we have a classic example of the failure of so-called private or free enterprise. I say there has been a failure in the sense that these companies have failed the people of this country but have succeeded in their own purely selfish aims. They have succeeded in their goal of making a profit but they have failed miserably to provide service at low cost to the sick of Canada.

My opinion that there is immorality on the part of enterprises of this kind is, I think, shared by some. Any enterprise that engages in making a profit out of the misfortunes of others is basically immoral. For the benefit of one hon. member on the opposite side of the house who rose to dispute with me about profits on an earlier occasion, let me say categorically that this is one instance where profits should be prohibited because they are immoral. Profit-making or the receiving of a reasonable return on investment is a privilege in our society, not a right. I believe that these companies in the so-called free enterprise drug industry have so outrageously abused this privilege that they now deserve the condemnation of the public and the intervention, supervision and control of the government.

Much has been said about foreign drug companies. On the one hand a great deal has been said by the so-called Canadian drug industry, particularly during a fear campaign some years ago, to the effect that there is something bad about foreign drugs. There was a great fear campaign about safety, control and so forth. My fears are not the same as some of those expressed by proponents of the pharmaceutical industry. Mine are more related to the international take-over and control of the Canadian industry.

The Toronto *Globe and Mail* of August 13 last, after examining one of Canada's totally Canadian owned and independent drug manufacturers—compared with other drug industries it is one of the smallest in Canada—pointed out that in the past decade the following has happened to Canadian drug companies: Charles E. Frosst Company of Montreal has been taken over by Merck Co. Inc., New Jersey, Elliott-Marion Co. Ltd. of Montreal by American Home Products, Ayerst-McKenna and Harrison of Montreal by

American Home Products, Frank W. Horner of Montreal by Carter-Wallace Incorporated, New York, and L. D. Craig of Toronto, Bell-Craig Pharmaceuticals, by the Denver Chemical Manufacturing Company of Stamford, Connecticut. It seems hardly valid for the drug industry to express the hope that the government and the Canadian people will worry about impure and inadequate drugs being brought in from foreign countries when at the same time it expresses no concern about the foreign take-over of Canadian drug companies.

It is rather strange that some foreign drug companies which were alleging that Canada could receive impure and unsafe drugs from those countries have seemingly banded together with the Pharmaceutical Manufacturers' Association of Canada. The president of that association—a noted columnist said he is a much-travelled master of the graceful phrase—was in Stockholm last summer to meet with drug corporations of other countries. As a result we now have an international cartel, about which my colleague the hon. member for Vancouver-Kingsway (Mrs. MacInnis) spoke last night.

One of the objectives of this international organization, as outlined by Dr. Wigle, is to:

—promote the development of ethical principles and practices throughout the pharmaceutical industry.

Perhaps it is pure coincidence, but among Ottawa lobbyists the term "unethical practices" usually means price-cutting. When this industry speaks of ethical practices it seems to me all one can say is that it shows the ethics of a tomcat in the way in which it has exploited the sick, the chronically ill and the injured in this country in respect of the prices of drugs. This organization should be the last to talk about ethics.

I suggest to the minister that this bill does not go nearly far enough. The minister and the government of Canada cannot by themselves deal with this international association. The minister and the government will only be able to deal with this international association is consort with the governments of other countries. A Canadian law by itself will not be sufficient to regulate, scrutinize and oversee this industry. It is my hope that the minister and his officials will maintain constant consultation with their equivalents in European countries and in Japan where the manufacture and export of drugs represents a fairly substantial operation.

There is another factor that causes me to wonder just how enthusiastic and wholehearted the government is about drug prices. I point out that while the Minister of Consumer and Corporate Affairs, (Mr. Basford), who I am sure is very concerned about this matter and will be very diligent and enthusiastic, will be implementing a piece of legislation designed to reduce drug prices by a variety of mechanisms, another department will be helping the industry. In other words, while he is trying to restrict, control and supervise the drug industry, certainly in respect of costs, one of his colleagues will be aiding the industry.

• (3:00 p.m.)

With regard to the pharmaceutical industry development assistance program, commonly known as PIDA, I should like to quote the minister's words of last October 17 as recorded in *Hansard* at page 1511:

The pharmaceutical industry development assistance program, which is administered by the Department of Industry, is a direct loan program designed to strengthen and improve the efficiency of the sector of the pharmaceutical industry which manufactures and sells prescription drugs at lower prices. These companies, most of which are Canadian owned, engage in or are prepared to engage in, effective price competition against the international drug firms.

I do not very often find myself in agreement with Mr. Western, a columnist of some note, but in the Winnipeg *Free Press* of last April he commented at some length on this program and I find myself in agreement with most of what he said. If the government is so anxious to restrict, control and supervise the drug industry, that is, Canadian and international drug companies, I hope that in the implementing of the PIDA program the minister will persuade his colleague the Minister of Industry, Trade and Commerce (Mr. Pepin) to use great discretion as to which companies qualify for loans from the Department of Industry.

I ask the minister to urge upon his colleague that all United States owned Canadian subsidiaries be excluded from this program. I say this because I notice that in the speech in *Hansard,* part of which I have just quoted, the minister qualified his remarks by saying that most of these companies were Canadian owned. I hope he will persuade his colleague the Minister of Industry, Trade and Commerce to go farther and provide that only Canadian owned drug companies shall qualify for such assistance and that no assistance

shall be available to United States subsidiaries or subsidiaries of any foreign owned company. I do not think these corporations warrant any concern by the government as to their welfare. They are hardly candidates for the poor-house. If investment is needed in Canada for drug research and production at competitive prices, or opportunities therefor, I submit that these international companies have adequate finances of their own and can raise the money here or in their own countries. They, least of all, warrant any consideration by the government and the Department of Industry.

My colleague the hon. member for Winnipeg North (Mr. Orlikow), who began the debate for our party, listed five areas in which this party believes the government should be taking action in addition to the steps it has proposed in the bill. I should like to review these areas quickly without going into matters already covered. We hope the minister will look seriously at all five of these proposals. If he finds he is unable to agree with them now or is unable to persuade his colleagues to agree with some or all of them, we hope that as the months go by he will be able to implement some and eventually all of them.

Our first point is that we should abandon brand names for all new drugs and generic names should be applied to all new drugs being developed for sale in Canada or brought into this country. Again, I find it incomprehensible that those who promote the best interests of the pharmaceutical manufacturing industry should have waged a scare campaign about generic drugs being unsafe or cast doubt upon their quality, while at the same time competent institutions and people connected with them, private and public hospitals and federal and provincial governments, continually purchase drugs in large lots by their generic name. I suspect that their efficacity has been proven to be even better than that of brand name drugs.

Our second point is that the minister should persuade his colleague the Minister of Finance (Mr. Benson) to place a maximum of 10 per cent of total sales on the allowable tax deduction for advertising and promotion expenses incurred by drug companies and related industries. In my opinion even this limitation is too generous, but that is the proposal of our party.

Third, we suggest—this is an area that the minister himself can deal with through his department—that drug advertising be strictly scrutinized and controlled as to its claims and the manner in which it is presented to the public. As all of us in this house know, this has been a major factor in the ever increasing cost of drugs.

The fourth point we make is that the minister and his department should require the drug manufacturing industry to submit regularly and often standard cost reports for all new drugs, particularly those for which projected or expected sales are over $500,000 a year. Again, I believe this is a little too generous and that standard cost reports should be obligatory in respect of the development, production and eventual sale to the public of all new drugs no matter what their projected or anticipated sales may be. It seems to me this would provide the minister and his department with excellent information as to how to implement this and any other legislation that may be brought before us in the future. This should be a requirement and should develop into a standard practice as between the industry and the minister's department.

The fifth point is that raised by my colleague the hon. member for Waterloo (Mr. Saltsman). He dealt with it very well the other evening and therefore I need not repeat what he said. It is that the government should establish a crown corporation to manufacture and sell a limited number of the more important prescription drugs, probably somewhere between 15 and 30 of the most commonly used and most basic drugs of the prescription industry.

• (3:10 p.m.)

I repeat in this regard what I said earlier, that it seems to me the making of profits from the misfortunes of people who become sick is immoral. Surely this is a proper and logical place for a government business or crown corporation no matter what party happens to be in office. It is a perfectly logical and justifiable area for government intervention in the business world, not only to serve as a check upon the remainder of the industry but also to show these companies how to provide safe drugs to the sick at the lowest possible cost and without unconscionable profits and improper and false advertising.

The same column by Mr. Western in the *Winnipeg Free Press* to which I referred quotes the former minister regarding patents in these words:

> When the patent on terramycin recently expired in England, the drug appeared under a brand name at one-third the price charged by the original

manufacturer. On chloromycetin in the United States, the reduction in the same circumstances was almost 50 per cent. It is noteworthy too that where there is effective competition, as in the case of hospitals, which buy on a tendering system, remarkable savings emerge. Thus a cortisone preparation selling at $17 per 100 units to Saskatchewan retailers was obtainable by hospitals and government departments at the price of $1.95—

In assessing royalties for compulsory licences, the commissioner (in Canada) will not, as in Britain, take into account expenditures on research, development and promotion. An important reason is that the manufacturer introducing a new drug secures, under the food and drug regulations, a five-year monopoly which should be adequate to ensure a reasonable return on research.

If the manufacturer is given a five-year monopoly for research, development and promotion, then he should be required by law to file complete information on his costs to be recovered. This will serve as a check on the price he wishes to charge and will enable the government to check him if he seeks to engage in unreasonable and unconscionable pricing within the five-year period which he has to recover these costs. Just giving these manufacturers a blanket five years without knowing what is involved in the make-up of these prices certainly leaves the door ajar, if not wide open, to going to every possible length—I will not say to cook the books—to exaggerate or enlarge these so-called costs of research, development and promotion to maximize profits.

I shall support this legislation even though I am convinced it does not go nearly far enough. Once it has been in operation for a year or at most two if as a result of that experience the members of this group are shown to be wrong and that the legislation has actually been effective in reducing and controlling drug costs, we will be only too happy to have been wrong. But if such proves not to be the case I hope the minister, who I am convinced, as I said earlier, is deadly serious about this matter and is enthusiastic and vigilant, will then proceed very quickly to bring additional legislation into the house that will go even farther than the legislation he is proposing now.

I repeat that in principle this is an area of enterprise in our society where the profit motive has no rights, no privileges and no business, and I hope that the measures that the government is proposing now and those they will introduce in the near future will go even farther to put an end to social need being made use of by those who place profits first and service to the people second.

[Mr. Benjamin.]

Mr. Raymond Rock (Lachine): Mr. Speaker, on February 13, 1968, I had the opportunity of speaking on Bill C-190 which is now being presented as Bill C-102 with minor changes. I have no intention of repeating what I said then. However, those who may be interested can find my speech in *Hansard* of that date at page 6698. At that time I stated that now that the bill's contents were known all people who will be affected should have the opportunity to appear before a committee and that the bill should be sent to a standing committee in order to give those who are interested the opportunity to be heard.

In accordance with the new rules adopted by parliament, this bill automatically goes to a standing committee. However, I feel that those who are interested may not be given the opportunity to be heard, and I would like the minister to give us the assurance that at least the representatives of the pharmaceutical industry of Canada will be heard, as well as all other interested witnesses. It has been stated that the representatives of the pharmaceutical industry have already appeared before the special committee on drug costs and prices headed by Dr. Harley and therefore nothing new could be added. However, at the time they appeared the recommendations on which the legislation was based were not known, and now that the contents of the bill are known the people affected should have the opportunity to appear before the standing committee.

There are many new members in the house since the last election who are unaware of the complications which this legislation will create for the industry and the effect it will have on some segments of the Canadian economy. Many Canadians feel that drugs are priced too high, and I believe that ways should be found to reduce these prices. I believe this could be achieved by convening a federal-provincial conference on drug prices to find a proper solution to this problem.

I am in favour of increased competition. The greater the competition, the greater the pressure on high prices. I believe that this legislation will not bring this about. What it will do is to bring in outside competition, imported competition, competition by importation. It will bring competition based on lower foreign wages. This legislation looks good on the surface. However, the so-called competition that exists in Canada is the same competition that exists outside Canada, and to allow finished patented drug products into

this country is not detrimental to the companies themselves but rather to the thousands of Canadians employed by these internationally owned companies.

What this legislation is actually doing is to favour the owners of these internationally owned drug companies by giving them carte blanche to become importers of drugs. In the past they were forced to manufacture patented drugs in Canada. Now they will have the opportunity to choose whether they should continue to manufacture in Canada or simply import these drugs into Canada from their foreign, home-based parent companies.

• (3:20 p.m.)

From page one, column six, of the Montreal *Star* of January 18, 1969 I quote the following paragraph:

> Ayerst, an American drug firm, is a classic case. It has decided not to extend its Montreal plant. It has located in Rouses Point, just across the border, in the United States. Quebec nationalism is a factor, but so is the probability of enactment of a federal drug bill which the company fears would inhibit their operations in Canada.

Actually the company had a choice between extending the Montreal plant or extending the plant at Rouses Point. It chose Rouses Point. Other drug companies have held back decisions affecting their plants until the outcome of this bill is known.

I do not believe the solution is to import drugs as finished products in dosage form. Most of the pharmaceutical firms are internationally owned; they hold patent rights in all countries. The effect, therefore, of allowing importations as proposed in Bill C-102 would be seriously detrimental to all Canadians employed in Canada by these internationally owned companies. Why should such companies employ people in Canada, or expand their production in Canada, if they are able to export drugs to this country from their home bases? As I have indicated, these firms hold patent rights in all countries. Solutions must be found in Canada itself to force these internationally owned firms to reduce their prices. Otherwise, many Canadians who are now employed will be looking to the United States for jobs in the future.

The international pharmaceutical firms which have established themselves in Canada pay municipal taxes, school taxes and corporation taxes. They have formed a community in which many persons in their employ pay income tax, sales tax, school tax and property taxes. They pay sales taxes on all building materials used in the construction of their premises as well as on their sophisticated machinery and laboratory equipment. They are responsible for tax revenues which are badly needed for the expansion of our municipalities, our educational facilities and the economy generally. I point out that when we import pharmaceutical products these taxes and revenues are no longer available and that the effect is therefore detrimental to the expansion of the Canadian economy, detrimental to the expansion of our municipalities, to the improvement of our schools and to the growth of our labour market.

The importation of drugs would lead to a reduction in Canadian supplies and halt the expansion of the pharmaceutical industry here. Some firms may discontinue production altogether and disappear, like elements of the textile industry, to become importers and distributors rather than manufacturers.

The provisions in this legislation having to do with the importation of finished drug products will, to my knowledge, not succeed in reducing the prices of drugs. In the event, they would confront the drug industry and its employees with precisely the same problem as was created for the Canadian textile industry and its employees by the relaxation of duty on textile imports. I do not believe prices of drugs will be reduced at the retail level.

In its attempt to reduce drug prices some time ago the government removed the 12 per cent sales tax, an action which resulted in the loss of some $20 million in revenue. There is still no sign that the prices of drugs have been reduced at the retail level. On the other hand there is a definite indication that the government felt obliged to raise the income tax in order to replace the $20 million. Even if we remove the total net profit of this industry, the prices of drugs will not be reduced. I point out that the federal government received more revenue from the pharmaceutical industry in taxation than the industry made profit.

I hope that during its consideration of this measure the committee will hear witnesses from the drug industry, from the Department of Labour, from the Department of Industry, Trade and Commerce, from the Department of Manpower and Immigration, from the Department of National Revenue and from the Department of Finance in order to assess the effect of this legislation on the economy, on the budget, on industrial expansion, on future employment, on revenues, and so on.

After hearing these witnesses, I hope the committee will attempt to estimate the effect on the present budget of the removal of the 12 per cent sales tax from drugs, and the impact the proposal to import manufactured drugs is likely to have on our total tax revenues and, in particular, on tax revenues flowing to municipalities and school boards. If committee members examine the figures in this connection I doubt that they will recommend the provisions dealing with the importation of finished drugs.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, if we refer to the official report of the House of Commons Debates for October 17, 1968, we find the speech of the Minister of Consumer and Corporate Affairs (Mr. Basford), concerning this Bill No. C-102, to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act. The minister expressed then his point of view on the results that the proposed amendments would have for the Canadian people.

Mr. Speaker, I shall be frank and say that I do not consider this bill in the same way as the minister; therefore, I am not as optimistic as he is. If we base our considerations on what we already know, that is if we stop for a moment to examine our personal experience—or to make a few comparisons in the light of the briefs and reports that have been filed, we reach the conclusion that we are facing an important monopoly which, in my opinion, originated under the present legislation. The unimportant amendments contained in the present bill will not change anything. Therefore, when the minister states, as reported in the *Hansard* of October 17, at page 1515, and I quote:

—the drug industry differs uniquely from other industries.

I quite agree with him. That industry differs from other industries first because the aim has been diverted from its end, and experience has taught me that drugs have served more often to enrich than to cure. First, at the manufacturing level, that industry fixes selling prices which are not proportional to costs.

I had a translation made of a few pages of the book of a serious and famous author, Mr. Stevenson, in which he mentions some extraordinary costs and prices relative to Canadian drugs. He says that profits made on some drugs range between 26,000 and 28,000 per cent.

[Mr. Rock.]

An employee who holds an important position in that industry told me last year that certain pills which sold wholesale in the United States for $3.00 per thousand retailed in Canada at $5.50 for 50.

This was not an accident or a mistake since most of the drugs are manufactured in the United States by parent companies, then shipped to our country. Their branches pack, bottle these products and label them with rather pompous names. In fact, 5 per cent only of the drug patent rights belong to Canadian residents while we import 85 per cent of the raw material necessary for the production of drugs used on the Canadian market.

• (3:30 p.m.)

In the field of information, Mr. Speaker, in view of the fact that the rather scarce details available on pharmaceutical products are sent to hospitals, doctors and druggists, it is not surprising that the names on the labels of the drugs are meaningless for the ordinary customer. The names and the labels are totally beyond our understanding; however we have every reason to believe that these customers are not always obtaining the best quality products.

At this stage, Mr. Speaker, I should like to emphasize a significant point: certain officers, responsible for the administration of the Food and Drugs Act are not choir boys and unfortunately sometimes carelessness prevails over a sense of responsibility.

A druggist, the owner of a rather large establishment employing 15 people, told me recently that no inspector had visited his establishment for the past 26 months. He could have sold anything in perfect peace of mind.

As far as the work at the plant is concerned, the same situation prevails. The inspectors in charge of controlling the finished products are away more often than they should and the manufacturer is only too glad to be allowed to select himself the samples which are necessary to insure the prosperity of that industry in Canada. And yet the analysis of those samples should protect the health of all Canadian citizens.

We are facing a tricky problem, and I say it once more, a very powerful monopoly because it allows the manufacturers to speculate on the quality of the products. That monopoly is dangerous in that it allows people to alter the figures. As long as these fumblers are allowed to use publicity as a means of inducing people to believe they are the

friends of the sick and of the aged, that monopoly will be a menace. This industry, aims at squeezing out their last farthing from the sick and the aged. One subsection of this bill, Mr. Speaker, tend to suggest that competition will improve the situation.

Well, let me tell you that I do not believe a word of it, for there is no competition in that industry; that is a proved fact. How could improvements be made at a non-existing level? So, whether this bill is passed or not, the results will be the same and the people are expecting more than that.

To conclude, Mr. Speaker, I beg the minister to forget all about that very insignificant bill and to ask the people in charge of drafting the bills for the Canadian parliament, to draft a more detailed piece of legislation that is closer to reality and which will bring about practical effects.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, over the years few industries have mounted the kind of lobbying of members of parliament that this industry has. Therefore without knowing too much about the situation we can assume that what the government is doing in its small way is advantageous to the average man in the street but probably detrimental to individual members.

In the last two days I have heard two speeches by members who have obviously had to take a position different from other member in their parties. They are members who represent ridings within which large segments of the drug industry are located. I sympathize with these members and realize that we have to weigh, on the one hand, the number of people employed in the industry against, on the other hand, a lowering of prices. I am sure that the industry in these ridings is responsible for the extreme pressure of all kinds that has been put on the members concerned. I note from information that is available that drug companies have even made contributions to election campaigns. That situation is not unusual, though it has not been common in Canada so far as this industry is concerned because there has not been need for this type of control.

A long time ago when the house was discussing drug supplies to hospitals under federal control, I suggested that part of this industry should be nationalized so as to permit the supplying of generic products to hospitals under federal control, public welfare agencies in the provinces, sanatoria and like facilities. This would establish some kind of yardstick.

It is all very well to say that aspirin has some advantages over Bufferin, or that Bufferin has some advantages over A.S.A., but anybody who knows the composition of these tablets realizes that basically they contain acetylsalicylic acid, that really the only difference is in their advertising on television, which itself is not a small factor. I have watched television advertising of a particular brand of beer and have asked myself why I did not buy that particular brand. The same is true of cigarettes that are advertised as yielding ten puffs more than other brands.

Again, we all know the advertisement which depicts a hammer banging the side of a man's head, and if you happen to have a hangover you think that the product advertised would be appropriate to remedy your condition. Therefore advertising is a major factor, though I wonder what people some years hence will think of us when they dig into the archives and produce some of the tapes of this kind that have been filed away for posterity. They will probably consider our knowledge of ailments and ills somewhat elementary after viewing the sort of advertising that appears on the television media. In this regard I cite the advertisement dealing with stomach acidity. If our stomachs work in that way and little levers permit the flow of anti-acid solutions in the proper direction, then it would seem that the whole thing works like clockwork.

We are continually being subjected to very heavy propaganda by the drug industry. However, I still subscribe to the belief that in government institutions which take care of patients and in veterans hospitals it would be to our advantage to use drugs that are a little cheaper than others, though they would have to meet high standards.

I note from some literature that has been published that the drug companies spend an average of $5,000 a year per doctor in advertising. This is a fantastic amount. There are a large number of people in Canada who do not earn that much money; yet the drug companies, unsolicited, spend that sum on advertising to entice doctors to buy a specific type of drug. This must have an effect upon the doctors.

Some time ago I went to a doctor who suggested I needed a certain type of pill for a period of time. As a member of parliament I decided that I could afford to buy it, though had I not been I might have had second

thoughts. However, I told the doctor that I wanted a drug whose cost was reasonable and asked him to use the generic form. Having a fairly exclusive clientele the doctor was a little amused by this request, but eventually he told me there was a little company in Canada by the name of Empire that manufactured a very good product at reasonable cost. He marked down "Empire brand" on the prescription and put in brackets the word "cheap". When I presented the prescription to the drugstore I was asked whether I was sure the doctor had written the prescription and I informed the man behind the counter that he had. The cost of 100 Empire brand tablets was $17 less than another brand. The druggist concerned does not want me to mention his name. He continues to supply me with those pils at a fairly reasonable price.

• (3:40 p.m.)

In discussing this general subject with a doctor I learned something that many of us may not know. Except when writing prescriptions doctors have little to do with prescription drugs. A doctor told me that not long ago he had prescribed for a woman a specific type of penicillin which contained an additive. Originally the drug had been expensive, but he assumed that over the years it had come down in price and now sold for about $2 or $3 per dozen tablets. He sent the patient whom he knew well to the druggist for the prescription, telling her that it contained penicillin with an additive. It was not basic penicillin. When the lady came back three or four days later saying she was no better he asked her if she had taken the pills he had prescribed. She said, "No, I did not. I went to the druggist and he told me the pills were $16 a dozen. I cannot afford them, and I did not get any pills." Then the doctor phoned the druggist and had one heck of an argument with him, saying that the pills were unreasonably priced and ought to be worth only about $2 or $3 a dozen. The druggist said, "Yes, we have that kind of drug." He mentioned the generic name, with the additive. He continued, "We have that under another brand name. But you have always prescribed this specific brand. You specified that brand and we had no alternative but to supply the lady with that prescription." I say that the woman need not have gone to the doctor in the first place if she could not afford his prescription. In prescribing a drug he thought would cure her ailment the doctor did not consider that the drug he was prescribing was out of her financial reach. In the end he prescribed a substitute drug and the woman's problem was cleared up. The doctor told me that since his intern days he had not been familiar with the price of drugs. He assumed that the more expensive drugs became cheaper after the passage of years and he was surprised to learn he was wrong.

What this doctor thought many others think. Forceful advertising plays its role in influencing doctors to prescribe certain drugs. Obviously, the $5,000 a year the drug companies spend per doctor in advertising and promoting their products must be effective or they would not advertise.

Hon. members have argued that if we loosen our regulations and allow the importation of generic drugs we shall lower the quality of drugs used in this country. The *Financial Post* of August 3, 1968, carried an article indicating that, among other things, the Food and Drug Directorate of the Department of National Health and Welfare has been authorized to add 11 new inspectors to its staff. Their main job will be to monitor imported drugs. I do not know how many inspectors at present monitor drugs in Canada, but I suggest we do not have enough to do other than a superficial job. Our government agencies have not had the facilities to undertake development or monitoring work. Hon. members will remember that a few years ago, after Connaught Laboratories in Toronto produced Salk vaccine, the federal authorities were in no position to assess the effectiveness of the vaccine because the federal government had no one who could to that work. I suggest that we might take over the Connaught Laboratories which could then set national standards for drugs.

The article in the *Financial Post* says in part:

> Two food and drug officials will visit European capitals in August to call on drug control agencies and ministries of health. Food and drug expects that, by early next year, one man will be permanently stationed in Europe.

I presume that has already taken place. I continue:

> His job will be to maintain liaison with the European agencies, gather information about drug manufacturing firms and help the Canadian directorate in its job of policing imports to Canada.
>
> The directorate has already been armed with additional regulations giving it new powers to ensure the safety and control of imports. It can now demand that any importer of drugs in their final usage form must have evidence and information relating to the manufacture and control of the drug. The evidence must establish that the Canadian requirements for manufacture and control have been met.

In addition, the directorate can demand that an importer either test every imported batch of drugs in Canada to ensure its identity, potency or purity, or satisfy the directorate with evidence that each batch has been properly tested in its country of origin.

These new regulations, according to officials, close all expected gaps in the safety and inspection procedures of imported drugs. In effect, the directorate, faced with an unknown manufacturer, can order all tests conducted here.

Officials point out that, when drug ingredients are imported rather than the finished product, the act now provides them with sufficient authority to ensure safety. For one thing, the final drug will be manufactured in Canada and therefore come under their jurisdiction. In addition, they have power to order that any bulk or raw material import be tested here, prior to final manufacture, to pass standards of identity, potency and purity.

The article then lists a number of other steps which have been taken to control drug quality, thus answering the objections of hon. members who are worried about what will happen if we allow the importation into this country of generic drugs.

Some hon. members whose ridings contain drug manufacturers have argued against some of the provisions of this bill. Unless we can control what a legitimate mark-up on drug sales should be there is a good case for developing and testing new drugs. Although there is some dog eat dog competition in Canada, a good many drug companies have reached understandings with their distributors. The original manufacturer of a drug wishes to maintain a certain profit margin; yet companies manufacturing that drug under licence sell it to retailers at similar prices although they have not incurred the development costs of the original manufacturer. I doubt that it is a good idea to have small manufacturers developing new drugs. Since the development of new drugs needs a great deal of money it is obvious that it should be limited to those companies which are able to put them on the market as safe and satisfactory commodities.

I hope the government will consider extending the provisions of this bill. It is essential for us to know exactly how much it costs to manufacture generic drugs. Hon. members must be aware that everyone here is expendable. If we should catch the Hong Kong flu we are expendable, not being on the preferred list as recipients of Hong Kong flu vaccine. There is not enough to go around. The amount available is being used to treat the old and the very young, and this is as it should be. I am pleased that intervention has made this possible rather than the price being jacked up. We do not want drugs available for the rich and not available for the poor. But, Mr. Speaker, a young lady died in Ottawa the other day from Hong Kong flu. I do not know if she had access to the vaccine. She was a secretary. Probably that category is expendable from the medical viewpoint in the selection of persons who should get the vaccine, but I maintain that with our modern, technical knowledge we can afford to provide this type of vaccine for everybody in Canada. Certainly people should not die in the same numbers as those who died in past epidemics of typhoid, strep throat and the like, simply because vaccine was not available at that time to prevent their deaths.

• (3:50 p.m.)

In my opinion we will never be able to get enough vaccine. Salk vaccine is a good example. There was never enough to treat all those in the age category threatened by polio. We did not have enough because it was being developed by private industry. To be successful private industry must be assured that it will dispose of all the product it manufactures.

There is no point in private industry manufacturing a drug that does not have a long shelf life and must be disposed of quickly and economically. I understand that in the case of the Hong Kong flu vaccine eggs must be inoculated. The vaccine feeds on the eggs and it has a short shelf life. Even though a small private company may have the right under licence to manufacture this vaccine in Canada it may not be tempted to manufacture it if sales are made only to 3 million instead of 15 million Canadians. On occasion such a company may manufacture 3 million doses on the basis of anticipated sales and then discover that 8 million or 10 million doses are required. A crown corporation would be in a position to satisfy such a need.

We should also consider the provision of drugs in many fields of public welfare. In my area many people are in an age category that does not qualify for old age pensions. It is an area with little employment for those over 45 or 50 years. These people do not have old age pensions, but when they require drugs such as insulin the province of Ontario, through the municipalities, supplies them at cost. It also provides drugs free of charge to welfare recipients. The amount of such drugs provided all across Canada must be considerable. If the government established a crown corporation to manufacture drugs it could have a large part of its production based on the

drugs distributed through welfare agencies and other government institutions.

Many people write me to say that their monthly drug bills are $15, $20 or $25. Some of us on occasion have monthly $15 drug bills. Just the other day one of my colleagues was not feeling well and I went to the drugstore for him to pick up his prescription. Cough pills cost $4, some other pills another $4, and something else another buck. The bill came to $8 or $10 for a few days in bed with a common cold. I do not think his cold had reached the Hong Kong flu stage.

Mr. Knowles (Winnipeg North Centre): Is he well now?

Mr. Peters: No, he is still in bed. The old remedy of going out and buying a bottle of rum is probably still the best. Even if you do not feel better you can enjoy your sickness.

The cost of drugs is probably as important to many people as the limited amount of food which they can buy with their old age pensions and other forms of assistance. The cost of drugs always comes out of the food portion of their income. In many cases they either eat or buy drugs; they cannot do both.

I suggest that the minister should consider the establishment of a crown corporation. Possibly some companies in Canada might be interested in forming a partnership with a crown corporation so they would have the benefit of national research and of a large welfare market. At the same time they would have an opportunity to develop new drugs and act as an agent for the government in the use and control of imported drugs.

Canada is not the only country having trouble with drug prices. I notice a headline in one of the newspapers which says, "Swedish Pharmacies Threatened With Nationalization To Cut Prices." I know that one or two hon. members who have spoken in this debate are in the peanut drug trade. They have small companies employing 50 or 75 people. There are lots of these companies throughout the country. They buy pills in bulk, put them in bottles and sell them to grocery stores and novelty shops. They distribute patent medicines and such things, but all the big companies are in a cartel which I think has been investigated by every country in the world.

An investigation into the control of the A. G. Farben Company in the United States prior to the second world war resulted in the introduction of anti-combine legislation in that country. Drug companies formed a monopoly in Germany and most of Europe, and such monopolies are not less apparent today than they were 30 or 40 years ago. It is so easy for these companies to get together and decide, "You work on this drug and I will work on that one. When we get them developed we will set the price and we will all make a good thing out of the drug business."

We have mentioned some of the things that could be done to control the prices and the marketing of drugs. I suggest that what the government proposes is a step in the right direction. It will not reduce drug prices very much for the person living on an old age pension. Instead of paying $17 he may get his drugs in the future for $12 or $14. That is something and we welcome it. Further, when inspectors report to the minister that they are having trouble with such and such an importation, or that importation is not possible because of pressure applied by others, the government will have to act with a more strident voice than it has up until the present. I am sure this will happen as it gains more experience in the operations of the drug industry.

• (4:00 p.m.)

The Minister of Consumer and Corporate Affairs will have to look at the whole matter of advertising and the legitimacy of advertising. I could say something about that. Over the holiday I was very shocked by the Canadian Broadcasting Corporation because it doubled its normal amount of advertising by having a period of self-gratification. It told us how wonderful it was in seven or eight minutes additional advertising. I would think it did this on its own. Self-gratification has become a real problem for those who are interested in the advertising media. Someone must pay for both the self-gratification and the advertising that is allowed under the act.

The minister will have to find some relationship between the total cost of drugs and the amount spent on advertising, not only advertising to the doctors but advertising to the industry and to the public in general. Lastly, the government will have to give consideration to the lowering of the cost of drugs for which the government itself is responsible. I think it would be very unreasonable if we were to find the government supplying aspirin rather than A.S.A. tablets to its own hospitals of welfare recipients. This, of course, is just one example. I have nothing against aspirin. I think aspirin is very good because it dissolves faster than an A.S.A. tablet. This is an advantage if one has a real

headache. I am sure that when we as a nation supply and are responsible for these things we must get the most for our money. This probably will be done on a generic basis and there should be some education in this regard.

In closing I might mention another field we might consider. We should be thinking about the education that is given to the doctors by the drug companies in terms of generic drugs and what they will do. I am sure that when a company has a patented drug with a brand name it finds it is much more advantageous to tell the doctor about it than about the generic drug. Perhaps the doctor has the same difficulty we all have with the names of these new drugs. I will not try to name any of them. In the last couple of days we have heard some of these names. Some of them have immensely long and complicated names. Difficulty also arises because of the ease with which they sometimes can be mixed up. There was an inquest not long ago involving a case in which a doctor had prescribed over the telephone a specific generic drug but the druggist had misunderstood the prescription or the doctor had been confused. The prescription that was filled was for a drug which resulted in the death of a child. I am sure it could be argued that there would not have been that kind of confusion in respect of a brand name.

It may be that the minister should take a look at the naming of generic drugs and how this is arrived at so that some formalized code could be developed in order to eliminate confusion. Probably this in itself would tend to enable the doctor to use a coded generic name rather than admit to himself and everyone else that he cannot spell the name of a particular drug or in most cases even pronounce it. If there were a code for these various drugs which could be used I believe some of the difficulty would be removed.

I do not have very much more to say except that I hope the government through this legislation will continue to examine the problem and will not be reluctant to consider the establishment of a crown corporation so that yardsticks can be established in respect of the cost of production of new drugs and their sale price on the market.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome the opportunity and privilege to take part in the debate on Bill C-102 which the federal government has introduced in the early part of the first session of this parliament. I am particularly interested in this bill as a physician and member of parliament for Parkdale which is a working man's area. I feel that the Canadian public finds it commendable that the federal government has courageously tackled the problem of the high cost of prescription drugs. The three intensive federal studies carried out so far in Canada have found that the cost of prescription drugs in Canada is higher than it need be. The federal government wishes to bring relief to all Canadians who are burdened with the high cost of drugs.

The incidence of disease is far from uniform. Those patients who pay the largest drug bills because of their disability are likely to have incomes substantially below the average. Not only, however, is the incidence of illness in the population uneven, but also it is quite unpredictable so that consumers cannot budget for a situation in which they may have to assume the burden of heavy drug expenditures. Beyond all this, health is naturally of primary importance. A person's health is also a significant determinant of the productivity of human resources in our economy. Bouts of sickness, chronic disease, and permanent physical disability are social and economic misfortunes which also are frequently disastrous. The inability of many people to afford the drugs they require is reflected in needless sickness, disability, unemployability and costly hospitalization which could have been prevented by adequate out-of-hospital treatment.

Public concern over the price of drugs has been reflected in a number of major public inquiries. Federal inquiries have been undertaken by the Restrictive Trade Practices Commission which made its report in January, 1963, by the Royal Commission on Health Services—the Hall Commission—which made its report in February, 1964, and by the Special Committee of the House of Commons on Drug Costs and Prices—the Harley committee—which made its report in April, 1967. Public concern has also given rise to at least two provincial public inquiries—one by the joint committee of the Manitoba Pharmaceutical Association and the government of Manitoba, which made a report on the retail structure of drug prices in Manitoba in May, 1961, and the other by a select committee of the Ontario legislature which made its report in April, 1963. The government of Alberta made an important submission to the Harley committee urging the need for measures to reduce drug prices.

Patent Act—Trade Marks Act

• (4:10 p.m.)

The unanimous findings of the Restrictive Trade Practices Commission, the Royal Commission on Health Services and the Special Committee of the House of Commons on Drug Costs and Prices have proved beyond doubt that Canadian drug prices are higher than they need be. This is particularly true in the case of patented and trade-mark prescription drugs. All the federal and other public inquiries referred to were in agreement that no single measure by itself would bring about a significant reduction in the price of drugs to the consumer and that a number of co-ordinated steps must be taken. In consequence, the government determined to do what it could at the federal level to reduce drug prices and at the same time maintain a situation where drug manufacturing in this country would not be unduly restrained, where pharmaceutical research in Canada would not be discouraged, and also to ensure the Canadian public that drugs will be safe and effective.

Hon. members will recall that although Bill C-190, discussed in the House of Commons earlier this year during the previous parliament, was given second reading in February, it did not proceed further owing to the dissolution of parliament. On Thursday, October 17, the Minister of Consumer and Corporate Affairs (Mr. Basford) re-introduced an amended bill, Bill C-102, under the title "An Act to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act". Certain amendments were introduced in this new bill, notably in respect of safety and quality of drugs, as a result of the previous debate and the representations which have been made.

I would not like to prolong the debate on this issue but I want to bring again to the attention of the house that the government is looking at the whole issue of the cost of drugs. There are five measures in a federal package which are designed to lower the cost of drugs. The first step, which has already been taken, included the removal of the federal sales tax from drugs, the reduction of customs duties on these products from 20 per cent to 15 per cent and also the narrowing of the application of dumping duties to drug imports.

The second step in the government's program is that contained in the measure now before us, Bill C-102. There are other measures which will be taken by the government. The next one is the development of an information service for doctors, which was recommended by the Harley committee. The Food and Drug Directorate, with the assistance of the Department of Consumer and Corporate Affairs, is undertaking a program of providing objective information to the medical profession about the properties and prices of drugs, so that the prescribing physicians will be aware of the price differential between competing drug products of demonstrated quality, safety and effectiveness. The object of this program will be to enable the physician to know that a choice of drugs is available to him on the Canadian market for the needs of his patients. While the decision as to what the physician will prescribe is to remain with him, the intention is that he should be made aware there is a choice to be made in many cases between competing products and their prices. Resources have been provided for this purpose to the Department of National Health and Welfare, and it is expected that the first monthly information bulletin will appear without undue delay.

The fourth step in the over-all program is the pharmaceutical industry development assistance program, commonly known as PIDA, to which reference has been made by many previous speakers. The parmaceutical industry development assistance program, which is administered at the present time by the Department of Industry, is a direct loan program designed to strengthen and improve the efficiency of that sector of the pharmaceutical industry which manufactures and sells prescription drugs at lower prices. These companies, most of which are Canadian owned, are engaged in or are prepared to engage in effective price competition against the international drug firms.

The fifth step in the federal program is one which involves discussion with the provinces, and it is designed to tackle the problem of the high cost of the retail distribution of drugs, important aspects of which are within provincial jurisdiction. The government of Canada recognizes, as did the special committee, the so-called Harley committee, that it is not sufficient to inject price competition at the manufacturing level only by way of legislation. An important element in the cost of drugs to consumers lies in the distribution and pricing practices at the retail level. This is a matter which, now that the federal government is completing the steps that can be taken within federal jurisdiction, is on our agenda for future federal-provincial conferences.

It is useful at this time to refer again to the special committee of the House of Commons which studied this matter and which stated it hoped provincial governments and provincial pharmaceutical associations would take whatever steps are necessary in the light of changing circumstances to ensure that sufficient competition can be engendered in the retail drug business to lower prescription drug prices. I hope that all the provinces will take whatever action is necessary to lower the cost of drugs.

I am delighted to note that my province, Ontario, has already taken the initiative in this matter. The Speech from the Throne announced a program in February, 1968, which will establish a negotiated price at which not only hospitals but retail pharmacies will be able to purchase prescription drugs. The drugs and biologicals under consideration account for 85 per cent to 90 per cent of the cost of prescribed drugs to hospitals and consumers.

A statement from the Ontario health department indicated that discussions with pharmaceutical firms, wholesale distributors and retailers will be held in an attempt to reach a consensus on certain principles. A negotiated price will be established for drugs and biologicals purchased in bulk. Added to the bulk price will be a reasonable price for packaging and distribution. Hospitals will be provided with a price list of these drugs, and by purchasing at the negotiated price they will reduce their operating costs.

In the Ontario plan the retail pharmacies will also be able to purchase at this negotiated price and, being allowed a modest mark-up, would sell the drugs at the final price plus a dispensing fee. Apparently the Ontario Department of Health has had good co-operation in its efforts so far to determine what drugs should first be considered in this program and what method of distribution should be adopted so that substantial economies may be achieved. It is my hope that the other provinces will tackle this problem as soon as possible so that all Canadians may enjoy the full benefit of the efforts of their governments, federal and provincial, to lower the cost of drugs.

I should like to refer for a few moments to the speech made last Friday by the Parliamentary Secretary to the Minister of National Health and Welfare. He explained to us at some length what additional resources have been made available to the food and drug directorate to protect the safety and efficacy of generic drugs and to provide for inspection of imported generic drugs. I do not want to take up the time of this house as this speech can be read in *Hansard*, but I should like to state that we should be assured of the safety of generic drugs. Even Canadian university teaching hospitals are prescribing generic drugs for their patients. I am satisfied that the Food and Drug Directorate is doing everything it can to ensure the efficacy and safety of drugs in this country.

• (4:20 p.m.)

We in this House of Commons have a duty to see that the burden of the cost of illness is reduced. The legislation before us today in Bill C-102 will, I am sure, have a significant impact in reducing the cost of drugs in Canada without jeopardizing in any way the quality of the drugs offered to the public.

Our responsibility to the people of Canada is to promptly pass this bill as the law of our country. Bill C-102 is a clear indication of the government's determination to work toward a just society in Canada, a society which will seek to eliminate the social ills which disfigure the existence and impair the quality of human life for too many of our citizens. I therefore urge the members of the House of Commons and the members of the Standing Committee on Health, Welfare and Social Affairs to expedite the study of this bill and to enact it into law as promptly as possible.

Mr. John Gilbert (Broadview): Mr. Speaker, we have two champions in Canada today. We have ski champion Nancy Greene and we have Canada's shadow-boxing champion in the Minister of Consumer and Corporate Affairs (Mr. Basford). He seems to shadow-box on the question of consumer prices; he shadow-boxes on the question of the Combines Investigation Act and restrictive practices; he shadow-boxes on hockey; he shadow-boxes on advertising by companies in Canada, and now he is shadow-boxing in the field of drugs. This is why I call him Canada's shadow-boxing champion.

I have read the minister's speech of October 17 introducing this bill. Toward the end of the speech he apologized for making a lengthy speech and said:

> May I thank hon. members, Mr. Speaker, for allowing me to go on for a few minutes after ten o'clock, and I apologize to them for this lengthy resumé of the principle of this bill and the reasons which lie beneath its introduction. However the debate under the original Bill C-190 was so lengthy and inspired that I considered I

would be remiss in my responsibilities to the house were I to make this statement on second reading too abbreviated.

Here is the important sentence:

My impression has always been that there appears to be needless concern within the drug industry about the effects of the bill.

I tell the Minister of Consumer and Corporate Affairs that this needless concern is demonstrated by the drug companies. I recall the debate on Bill C-190 in the early spring of last year. The drug representatives were lined up in the galleries and there was a constant running back and forth with speeches they had prepared for certain members of the opposition. I looked around yesterday and again today and found there were present very few, if any, representatives of the drug companies. Therefore I am inclined to think they are laughing all the way to the bank with regard to **Bill C-102.**

I am rather worried about the attitude and action of members of the Progressive Conservative party. In view of the poverty in the maritimes, in Newfoundland and other parts of the country, the high prices paid by the poor people in these provinces and by the sick and elderly, I would have thought there would have been a real spark in the speeches of members from those parts of the country. I notice that the Minister of Defence Production (Mr. Jamieson) agrees with me. These are known as the poor provinces of Canada and the people there suffer as a result of high prices. I have been really sad to watch the performance of members of the Progressive Conservative party and some Liberals in this debate. The only strength they lent to the argument against this bill was the safety factor, and they appeared to be walking on eggs as they made their speeches.

Most Canadians are determined to have safe drugs at reasonable prices. One must look first at the cost of drugs in Canada and ask why the cost is so high. I cannot think of any better authority to quote than one successful Canadian drug manufacturer who is quoted in an article which appeared in the *Globe and Mail* of Tuesday, August 13, 1968. The president of Micro Chemicals Ltd., Gryphon Laboratories Ltd. and Paul Maney Laboratories Canada Ltd. set forth in an interview the problem the small Canadian drug manufacturer is having. The problem is caused by the penetration of foreign ownership. Mr. Speaker, you have heard me and many of my colleagues speak about the problem of foreign ownership in Canada and you are well aware of how conscious we are of it. I ask the house to take note of the words of the president of the three companies I have mentioned. He said:

In the past decade, says Mr. Cook, running through a mental list without effort, these Canadian companies have been sold:

Charles E. Frosst and Co. of Montreal to Merck and Co. Inc. of Rahway, N.J.; Elliott-Marion Co. Ltd. of Montreal to American Home Products Corp. of New York; Ayerst McKenna and Harrison Ltd. of Montreal to American Home Products; Frank W. Horner Ltd. of Montreal to Carter-Wallace Inc. of New York; L. D. Craig Ltd. of Toronto (Bell-Craig Pharmaceuticals) to Denver Chemical Manufacturing Co. of Stamford, Conn.

That is just a list that he gave from memory of Canadian firms which have been sold to foreign companies. Then he said:

Some of these, like Frosst, Ayerst and Frank W. Horner, had been giving Canada an international reputation in drug-making. They were also providing the country with a competition in drug marketing that has practically disappeared, Mr. Cook says. Competition now is strictly in the marketplace, depending mainly on how good the companies' sales and advertising campaigns are.

The article continues:

The solution was to tackle the large companies in the area of the money-making drugs to which the large companies alone had patent rights.

Here you have a successful Canadian manufacturer setting forth what is probably the main reason why there is so little control over drug prices. The reason is that foreign ownership has gained the day and dictates to the Canadian public the price it should pay for drugs. This is a sad commentary on our government, a government that pretended to be concerned about foreign ownership, set up the Watkins commission and received its report but did nothing about it.

I am sure the minister will agree that a more important factor in the cost of drugs depends upon the stroke of the doctor's pen when he writes a prescription for his patient. When I speak to my doctor friends they say, "Mr. Gilbert, I always put in the prescription the generic name of the drug." Sometimes I wonder just what doctors set forth the brand names, because the culprit appears to be the brand name drugs with their high prices. I think that most druggists are dependent on a medical book called the Vade-mecum. I had not heard of it until a doctor friend of mine told me that the Vade-mecum is the bible that doctors use in prescribing drugs. Many doctors thought it was a public book, but in point of fact the Vade-mecum is compiled by a commercial firm which sells space to different drug companies throughout the country, and

this allows them to publish the book. So these drug companies buy space in the book on which doctors depend in writing prescriptions.

• (4:30 p.m.)

Then there are the promotion men who utilize 30 per cent of every dollar to promote drugs. These men go round to the doctors and after giving them half a bag or sometimes a bag of samples they engage in a whisper campaign in which they say: "These other drug companies, including the Canadian companies, are what is known as copiers; in other words, they try to copy drugs of other patent companies. They are known as non-research houses and backroom plants." This is the whisper campaign which these men promote on behalf of drug companies. They spend 30 per cent of every drug dollar on promotion. I might add that it has become so insidious that when pharmaceutical students complete their courses they are invited by these companies to what is known as an orientation program, which is really brainwashing. The drug companies take these young graduate pharmacists to Detroit or Montreal where they wine and dine them and show them all the great advantages of dealing with them. It is a sad commentary that 30 per cent of every dollar is spent by the drug companies on the promotion of drugs and only 7 per cent on research.

Let me say at this point that I give the Harley committee credit for immediately dismissing the argument presented to them by the drug companies that high labour costs in Canada were responsible for the high cost of drugs. The evidence disclosed that this was not so, that it is the promotional costs and the high profit factors that bring about the high price of drugs. In fact, there are many other factors. There are drug companies that not only line up members of the official opposition but also members of the government by giving them money to promote their election. One of the most effective members of the Harley committee was a member of our party who represented the former riding of Hamilton South. During the recent campaign 40 doctors in his riding contributed over $2,000 to ensure his defeat. This is the type of conspiracy that prevails. It is promoted by these drug companies and sometimes receives the support of members of the medical profession.

If we are really serious about tackling this problem, our first measure should be the replacement of the Vade-mecum. The Food and Drug Directorate should prepare a book, which could be called the Food and Drug Directorate compendium, setting forth the different types of drugs and their relative costs.

Mr. Basford: Would the hon. member permit a question? In the light of his remarks I was wondering whether the hon. member had read the speech made during this debate last Friday by the parliamentary secretary to the Minister of National Health and Welfare, during which he said that is exactly what we intend to do?

Mr. Orlikow: When, and where is the money?

Mr. Gilbert: We are again witnessing the artful shadow-boxing of the Minister of Consumer and Corporate Affairs. The question is, when is the government going to do it and why does it not do it now? When it does, it should follow the precedent that has been set in the case of radio and TV stations which are licensed to operate in Canada. In the same way I believe the drug companies should have to pay a licence fee to cover the costs of this compendium on drugs.

The Food and Drug Directorate compendium would list brand names only under the generic names and show the price of each asked by pharmacists for patient-size packages. Such a book without prices is already published by the druggists association. I would like to see the minister stand up in his place and say that he would do this immediately and that the cost would be borne by the drug companies. Then he could not shelter himself under the excuse that because of the cost reduction program of the government we cannot afford it at this time. The companies are the proper ones to charge.

Second, I would like the Minister of Consumer and Corporate Affairs to create a pharmaceutical products board which, first, would review applications for the marketing of a pharmaceutical patent to determine whether it is a genuine new drug meeting a unique need. This is very important when one considers the cost of patent applications and the experience with regard to such applications that when a patent is about to expire nearing the 17th year clever chemists and their lawyers make another application for a new patent. All it really involves is molecular manipulation in which they indulge. This is the method by which they attempt to increase the life of the patent. So we should have a pharmaceutical products board which would determine whether these patents involve

genuine, new drugs to meet the unique needs of the public.

Second, the board should have the power to establish the price of the product based on the company's submissions of its costs for development, promotion and manufacture in Canada as evaluated by an examination of its books by board auditors. This is not a unique proposal. These are the requirements that are demanded from telephone and transport companies with regard to the operation of their businesses. There is no reason why this should not also apply to drug companies.

• (4:40 p.m.)

My second point relates to the safety factor. This aspect was gone into quite deeply by those responsible for the Harley report. The report said, in effect, that the safety factor was no greater in the case of drugs put out under a brand name than in drugs sold under generic names. The best example we have of the serious consequences which can arise in connection with a brand name drug is, of course, thalidomide; there is no assurance that because a drug has a brand name it is necessarily safe. We think of the meagre 7 per cent that these drug companies expend on research. We recall the minister telling us that if there is to be real research carried on in Canada in the field of drugs the government must make the major contribution. This being so, we are forced to accept the argument set forth by the main spokesman for our party on this issue, the hon. member for Winnipeg North (Mr. Orlikow), and by the hon. member for Waterloo South (Mr. Saltsman), that the establishment of a Crown corporation which would manufacture these drugs and distribute them is necessary. Such a corporation would probably get some of the research moneys which the government intends to make available for the development of drugs in Canada.

What amazes me is that certain drug companies operate here even though they do not meet all the standards set by the Food and Drug Directorate. A pharmaceutical products board or some such board should, therefore, declare the manufacture of pharmaceuticals to be as essential for public purposes as is broadcasting or banking. It should require that each company be majority-owned by Canadian citizens, and it should set up minimum standards of internal control over laboratory functions within each company. This is what should be done by the pharmaceutical board. It should set the standards

by which these laboratories operate in connection with the manufacture of drugs. If companies do not comply with the regulations and requirements of the board they should be disallowed from doing further business in Canada.

We have urged strongly that a Crown corporation be set up to manufacture drugs, to set guidelines with regard to cost and to ensure the necessary safety factors. I hope the Minister of Consumer and Corporate Affairs will vacate the title I have given him this afternoon of Canada's shadow-boxing champion and become the leader in giving Canadians drugs at a reasonable cost with the highest possible safety factor. To do this he will need courage and determination to set things right with regard to foreign ownership. He will need to establish standards in Canada by telling doctors they will be provided with a Food and Drug Directorate compendium setting forth drugs under generic names rather than under brand names. He will have to set a standard with regard to the laboratories in which drugs are manufactured. If he does these things he will make a mark for himself in Canadian political life. If he fails, he will remain as Canada's shadow-boxing champion.

Mr. Deputy Speaker: Order. It is my duty to inform the house that if the minister speaks now he will close the debate.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): As I understand the new rules, Mr. Speaker, the purpose of the second reading debate is to give bills a preliminary examination before referring them to a committee. I therefore do not intend to speak at any length today.

This bill has received its preliminary examination in the house and I hope it will be referred immediately to the committee on health and welfare. My position, and the position of the government, was clearly set out in my statement in the house in October when I introduced the bill for second reading, as well as in the excellent statements by the Parliamentary Secretary to the Minister of National Health and Welfare, the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), the hon. member for Burnaby-Seymour (Mr. Perrault) and my own parliamentary secretary. All these statements have, I think, successfully rebutted various suggestions made by other speakers in the house that the bill before us is a bad one or an unnecessary one.

My officials and I look forward to the hearings of the health and welfare committee

when we will have an opportunity to set forth our analysis of this measure in more detail and explain the meaning and purpose of each clause of the legislation. I am confident that when we give these explanations members of the committee will see the wisdom of this bill and share my hope that it will be passed and reported back to the house as soon as possible.

I was amused by some of the allegations which have come from members of the New Democratic party. They indicate they support this bill, and I thank them for their support, but they are certainly not loud in their praises. I was amused at the shadow-boxing of the hon. member for Broadview (Mr. Gilbert). Members of the N.D.P. insisted throughout the campaign that this legislation would never be introduced. Well, if the legislation is as ineffective as they pretend it is, I do not know why they were so concerned about it during the election campaign. Naturally, there was no doubt in the mind of the government or in the mind of the Liberal party that it would be introduced. And it has been introduced. If it is as ineffective as the N.D.P. alleges, I am amused they should have made it a campaign issue.

Again, the other night the hon. member for Waterloo South (Mr. Saltsman) took full credit for the fact that it had been introduced. If it is so ineffective as he and his hon. friends have suggested, I am surprised he should take full credit for its re-introduction. But that is all by the way, and in the nature of a political argument; we can fight that issue on another occasion.

What I do want to emphasize—and some members of the N.D.P. do not appear to be aware of this—is that the present bill is only one part of the government's drug program. We as a government are determined to have a beneficial influence on the price of drugs in Canada. We regard drug prices in Canada as being unduly high, as stated by the Harley committee. We are determined to see they are reduced, and this bill is only part of the program which we have undertaken, and will undertake, to force prices down.

• (4:50 p.m.)

This particular bill is concerned with amending the Patent Act so as to increase competition within the drug industry and expose the pharmaceutical industry in Canada to the winds of international free competition. I hope it will be successful. All I can say is that it is a measure that has been recommended by three boards of inquiry—the Restrictive Trade Practices Commission inquiry, the Hall royal commission and the Harley committee. I accept the recommendations of those three inquiries, and also their opinion that this type of amendment to the Patent Act will have some effect upon the cost of drugs in Canada. I hope it will; it is the belief of the government that it will. I am sure that we can convince the members of the health and welfare committee that the amendment will have this effect.

As I say, Mr. Speaker, I will be dealing with all the points raised by hon. members in this debate. May I thank them for their contributions. Some of the criticisms and suggestions can be dealt with in detail during the committee hearings, which I hope will start very shortly.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

FISHERIES IMPROVEMENTS LOANS ACT

AMENDMENT SUBSTITUTING RATE PRESCRIBED BY GOVERNOR IN COUNCIL

Hon. Jack Davis (for the Minister of Finance) moved the second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-151, to amend the Fisheries Improvement Loans Act.

He said: Mr. Speaker, perhaps I could call it five o'clock.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to standing order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Broadview (Mr. Gilbert)—Canadian Broadcasting Corporation; the hon. member for Calgary South (Mr. Woolliams)—Sports; the hon. member for Frontenac (Mr. Dumont)—Finance.

It being five o'clock the house will now proceed to the consideration of private members' business, as listed on today's order paper, namely, public bills, private bills, notices of motions.

Food and Drugs Act

PUBLIC BILLS

FOOD AND DRUGS ACT

AMENDMENT RESPECTING LISTING OF INGREDIENTS

Mr. Max Saltsman (Waterloo) moved the second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill C-12, an act to amend the Food and Drugs Act (listing of ingredients).

He said: Mr. Speaker, this bill was first introduced in 1966 at the urging of many people who had written to me, as they had written to other members of the house, indicating the difficulties they were having in terms of identifying ingredients in food and drugs to which they were allergic. The purpose of this bill, as stated in the explanatory note, is to amend the Food and Drugs Act to require producers of food and drugs placed on the Canadian market to accurately and completely list all ingredients on the labels of their products, as far as possible.

We in Canada are somewhat remiss in not insisting upon ingredient labelling, and as a result a number of anomalies have appeared. For instance, food manufactured in the United States and exported to Canada by the parent of a branch plant in this country bears accurate labelling because the U.S. government has passed legislation which is more progressive in this regard than ours. Therefore there is the curious situation that products that are similar to each other, almost identical in some cases, if made in Canada frequently have no labelling of ingredients whereas they do if made in the United States. On the other hand, there have been instances where Canadian manufacturers market their products in Canada without labelling the ingredients because the government does not require them to do so; yet when exporting the self-same product they have gone to considerable trouble to label the ingredients in order to comply with the regulations of the country to which they are exporting. Therefore I think it is time this state of affairs was cleared up.

I believe that Canadian consumers, particularly those who suffer from allergies, are entitled to information that is important to them, and it is for this reason that I present this bill to the house, hoping it will gain support from other hon. members. Some members have become aware of my intention to introduce Bill C-12 and they have indicated their support and written me to that effect.

[Mr. Deputy Speaker.]

Some of them have personal knowledge of the difficulties that are created by inadequate labelling for people who suffer from allergies.

Many people in this country suffer from allergies, and these allergies take many forms. It is not my intention this evening to detail the various kinds of allergies and the difficulties that they create; I think much of this is common knowledge to all of us. We all know from our own personal acquaintances that this problem exists. We all know people who have to be very careful about the kind of food they buy for their children because their children are allergic to certain things. We have gone to restaurants with friends who have had to question either the waiter or the cook about almost every item of food brought to the table. There is not a great deal we can do to remedy this situation, but of course people do not spend all their time eating in restaurants. However, there is considerable work that I think we can do for those who purchase food for use at home and who require to know what the food contains.

What makes the problem even more acute in this day and age is that the friendly corner grocer is no longer a ubiquitous figure. There was a time when one could go into a small store and ask the assistant: "What's in this, John?", and generally the assistant would know. Or one could go to the corner drugstore or to the fish market and get some idea of what was in the food being sold. However, today everything is sold off the shelf. We have silent merchandising. People simply walk into a supermarket and pick products off the shelves.

Unfortunately, manufacturers of food products today are not nearly as concerned about informing the public as to what they are selling as was the small merchant of yesterday. Their chief concern is to attract the public, to put some bright colouring on the labelling or packaging so that we can instantly grab what we want. Industrial psychologists have told manufacturers that their products must have more eye appeal than others. They say very little about providing the public with information on the ingredients. As one supermarket operator remarked to a committee of this house, "You wouldn't want to take all the romance out of life by getting too factual about things." I think we have had a little too much romancing in our supermarkets. We have had too much psychic benefit, too much puffery, as they politely describe what they are doing. It is about time our consumers were given the right tc information.

• (5:00 p.m.)

As I said, this bill has been introduced because of urgent letters I received from my constituents and people outside my riding, many of them suffering from allergies. The provisions of the bill have some connection with allergies since they deal with a matter that has become of increasing public concern. People have the right to know what is going into their stomachs, onto their faces, as well what kind of products they are paying for. Very little has been done in this country to inform the public in this way. If anything, the attitude of many of our manufacturers and promotion-minded men is that the members of the public should be treated like children. The prevalent thinking is, "Do not tell them anything you do not have to. The less members of the public know the better it will be for them." I do not think that is so. I think members of the public want to be informed about the contents of products and will insist on knowing.

We have made some progress in this country by introducing legislation that calls for specific types of labelling for various products. Also, certain products must meet certain standards. Although the standards set by the Department of National Health and Welfare are valuable in that they protect us in general against injurious ingredients, they do not provide the protection that sufferers from allergies in particular need. For instance, the ingredients of certain products may be perfectly harmless for those who do not suffer from allergies but yet may be absolutely devastating for those who do. Setting standards that food products must meet is not enough. We must go farther.

The public has become aware of injurious substances in products other than food. The house has referred bills to do with tobacco and tobacco advertising to the Standing Committee on Health, Welfare and Social Affairs. That committee will be asked to recommend that information about the effects of tobacco be printed on cigarette packages. We have begun publicizing the nicotine and tar contents of various brands of cigarettes on the principle that the public ought to know. After all, members of the public ought to be in a position to make decisions about health.

The Minister of Consumer and Corporate Affairs has indicated that legislation will be introduced in the house dealing with labelling of various products, among them being toys, glue and various other products which might be injurious to the health of any group in our society. We are moving in the right direction. For that reason I submit that the bill before the house is particularly apt, being aimed at the specific problems confronting sufferers from allergies, as well as the general principle that the public ought to have in its possession all relevant information about products it buys.

Some hon. members have suggested that the costs incurred in printing new labels giving product ingredients would outweigh the advantages of printing such labels. I submit that the extra costs are not that great. I am not advocating an overnight change-over of labels. I understand that companies have substantial investments in present set-ups and it is unfair to expect them to change their labels immediately. If passed the legislation will allow a reasonable period for manufacturers to bring out new labels. It makes little difference whether or not the ingredients of a product are included on a label. We are talking here about a few extra words which could be inserted when the label is printed, and I do not see how that would increase the cost of labels significantly. On the other hand, the suffering of many people will be alleviated as a result of new labels giving the ingredients of products, and these advantages will far outweigh any minor costs the manufacturers may incur.

Another advantage stemming from having labels indentifying ingredients of products will be that we shall get rid of some of the mysterious nonsense surrounding many of our products. I am referring to so-called secret ingredients, to tigers that pop out of boxes and esoteric mysteries of certain products that in fact may contain some fundamental and pedestrian chemicals. All such ingredients should be made known. If the highly advertised product that is selling simply because of its advertising build-up can be undersold by an equivalent product, it ought to be undersold. Surely the public has the right to compare products. At the moment it cannot because it has no way of comparing the various ingredients of similar products. Of course, there will always be distinctions that cannot be listed—distinctions of taste and of quality which cannot be defined as well as distinctions resulting from promotion.

I do not expect that a piece of legislation such as I am proposing here will solve all difficulties associated with consumer knowledge of products. Nevertheless, acceptance of the principle that consumers ought to know will be a big step forward in assisting the public to obtain the information vital to it.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I congratulate the hon. member for Waterloo (Mr. Saltsman) for introducing this bill. I intend to support it fully, being one of those who for many years have suffered from allergies. Over the years I have had to avoid many foods, on pain of suffering severe reactions if I ate foods to which I was particularly sensitive. I am therefore sympathetic to the problems of those who suffer from allergies. I have also introduced a bill similar to the hon. member's Bill C-56, which is far down the list and has no chance of being discussed during the present session.

When I first came here a few years ago I was made aware that the hon. member proposed to put before the house a bill similar to the present one, and I wrote him to tell him I supported it. The hon. member and I served on a committee a few years ago that studied the complaints of consumers and consumer organizations. Many appearing before the committee complained that present laws governing labelling are inadequate. They hoped we would recommend further legislation in our reports. In our interim and final reports to the minister—at that time to the registrar general—we recommended that legislation be introduced to require labels on food products in Canada to specify the ingredients of those products.

• (5:10 p.m.)

Some manufacturers and citizens seem to think that is not necessary. They say that an informed consumer, a consumer who wants to take his time, can look at the different products and decide what is good for him and what is not good for him. They criticize modern-day housewives and other purchasers and consumers, saying they are lazy and do not do the job that grandmother used to do. But the principal point is that today our consumer products, especially food products, have become much more complex than they were in grandmother's day.

Today we have foods in cans and in packages. We have specially prepared convenience foods, frozen foods, as a matter of fact completely frozen dinners with gravies and all sorts of sauces included in them. We have specially prepared baby foods which only became prominent on the Canadian market after the Second World War. Before the war most people prepared their babies' food.

Today we have many types of foods in packages and in forms that did not exist even 30 years ago, and they are becoming more and more complex. It is almost impossible for a consumer when he or she goes through a supermarket, picking up a package, a box or a tin, to know exactly what is in it. Usually the consumer knows the basic product. It might be a meat, a cereal or a vegetable, but because of the new types of processing there could be many other things added to it, different types of preservatives and other products to enhance the taste. It is most important that the Canadian consumer know clearly what he is buying.

This is particularly important for the allergy sufferer. I am familiar with several cases where people, particularly babies, nearly died, and there are even some cases of deaths. I have personal experience of one case. I know a family that gave their baby a particular baby food containing some egg. Of course they did not know the food contained an egg additive. The baby was extremely sensitive and allergic to the egg additive. It became violently ill and they got it to a hospital just in time to save its life. There is another example of a baby dying in Toronto. I have here a letter which says:

> An extreme example along this line is a patient who was attending the allergy clinic at the Hospital for Sick Children. This child was known to be sensitive to walnut. He was given a candy which contained a walnut inside of it and was dead before he arrived at the hospital.

There are many other examples. People who have allergy problems want to know what the contents are of the packages and the foods they buy.

This is not the only reason for requiring more explicit labelling. As the hon. member for Waterloo has said, whether we have allergy problems or not it is still important to know what we are getting. Many European countries have much more explicit labelling laws than Canada.

When we buy a product, whether it is a frozen food, a TV dinner, or a can of stew, we want to know what we are buying in addition to the main item in the can in case it is something we may not like, something we are allergic to, or just for general information purposes. We would also like to know what we are getting for our money. This was referred to by the hon. member for Waterloo. Sometimes the price of a food may seem to be extremely high compared with other foods. If we knew what the product consisted of we might have a greater appreciation of the price, and we would be more satisfied in buying the product if we knew what it contained.

To do what the hon. member suggests in this bill will not completely solve the problem. I think we should also try to do something about foods which are imported and exported. Many foods are brought into Canada. The Food and Agricultural Organization of the United Nations is presently working on labelling proposals and I think the Canadian government should continue to support work in this field.

I said that I support this bill and I do. However, I have certain reservations. From my point of view the bill is too lenient. I would have the law be more obligatory with respect to labelling. The wording in the bill says:

> —and in any case where it is possible to do so the regulations shall provide that all the ingredients contained in the food and drugs covered by this subsection shall be enumerated on the labels accompanying the said food and drugs.

I would have it a bit stronger than that because of my experience and my personal contacts with people who have had serious problems.

I would also think it important in this country, although this bill may not be the occasion to raise the matter, to oblige our manufacturers to have their labels in English and French so that all Canadian consumers may know what they are buying. I think there are other private bills on the order paper dealing with this aspect of the problem.

Another major criticism is that even if this bill were passed it would not cover many foods sold on the Canadian market. The Food and Drugs Act at present covers certain foods but there are others it does not cover and I would hope that if amendments are to be made all foods, whether they are prepared or convenience foods, would be covered by this type of regulation. I understand that the Minister of Consumer and Corporate Affairs is preparing legislation along this line. I urge him to take notice of this bill and other similar bills on the order paper. I urge him also to take notice of the arguments which are being put forward this evening, those put forward by the hon. member for Waterloo, my arguments and others which I presume will be made in support of the bill. The minister's parliamentary secretary is in the chamber and I hope he will convey the importance of this measure to the minister.

Some people might suggest that this bill be referred to a parliamentary committee, perhaps the committee on health and welfare. I do not think that is necessary. As I stated earlier, last year the consumers' committee studied this matter and it became fairly evident that this type of legislation is necessary. I cannot see the point of wasting time studying it once more. I think it is time for action and I would hope that the Minister of Consumer and Corporate Affairs would introduce legislation very shortly.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, my remarks will be short but I would blame myself if I failed to express the appreciation of the Ralliement créditiste to the sponsor of bill C-12, aimed at having dealers and manufacturers use labels with more accurate wordings.

We fully endorse this measure, Mr. Speaker. We believe it is an important means of protecting the consumer, in enabling him to have a better awareness of the products he buys.

Mr. Speaker, this bill is very simple and very precise. I believe the house could pass it without reference to the committee. In my opinion, the committee, which had the matter before it previously, will agree, as the previous speaker mentioned. It seems there will be no objection to a gradual change in the labels, taking into account the costs of such changes.

Mr. Speaker, I do believe that the retailers, the dealers and the manufacturers would find it profitable to bring about such changes, which would be aimed at improving the quality of the products.

The manufacturers should tell the truth about their products. If they will not say a word about their disadvantages, they could at least state their content.

For example, in the case of cigarettes, the disadvantages of nicotine and tar should be mentioned—and the committee is presently examining this question. But for the moment the problem lies elsewhere.

Our measures should be aimed at solving the basic problem of consumption.

• (5:20 p.m.)

Mr. Speaker, now that we have a Department of Consumer and Corporate Affairs, it seems to me that similar measures should be adopted in order to protect the Canadian consumer.

Mr. Speaker, as I said, we are in favour of this bill on the control of labelling. Indeed, we know very well that it is impossible to get adequate information on the innumerable products that are put on the market. All we know is that every day, when we turn on the radio or the television set, or when we read

the newspaper, we are swamped with misleading advertisements. Moreover, that was very often said, during the meetings of the committee which presided over the creation of the present department.

Mr. Speaker, somebody already said it—it was a certain Mr. Sandback—during the study in committee. I quote:

> The trade marks or the price are very seldom satisfying standards on which the consumer can rely to choose the best product that serves his purpose.

Because of the present situation which has lasted too long, the manufacturers show up the brand name, the trade mark and the price of their product, but not its contents. That is why housewives and consumers are often misled.

I wish to commend once again the mover of this bill and assure him of our full support, hoping that we will all decide that it is not necessary to put off this bill indefinitely or refer it to the committee, as the latter is already too busy. We should be able to dispose of it right away in the house. By so doing, we would make progress and we would indicate that we are ready to co-operate with the new Department of Consumer and Corporate Affairs, in passing measures likely to protect the Canadian consumer, an aim we should all strive to attain.

[*English*]

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, like the previous speaker from this side of the house, I should like to congratulate the proposer of this bill for bringing to our attention and to the attention of the Canadian people the extent of the problem, and the fact that inadequate labelling causes great difficulty to many Canadians, particularly sufferers from allergies. One thing he certainly has done is bring forth the allergy sufferers in this house. Like my friend, the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), I also suffer from allergies. I have examples from my own experience which lead me to support the intent of this bill. I know that inadequate labelling is a serious problem for those who suffer from one allergy or another.

This question has already led to a fair amount of discussion in the house. We have heard of the discussion there was last year before the committee on consumer affairs. This led to the bill my hon. friend from Notre-Dame-de-Grâce proposed, which will not be discussed this session because of the lack of time. It also led to a bill which I proposed late last year and which probably will also not be discussed at this session because of lack of time. That bill deals specifically with the labelling of drugs.

I understand that a member from the major opposition party will be following me in expressing the views of that party on this matter. Therefore I believe that on both sides of the house there is general agreement that there must be better labelling of the ingredients in drugs and foods in Canada.

If I may, I should like to take a moment or two to outline the seriousness of the problem that is now faced by the allergy sufferer. There is the case that was mentioned a short time ago by my friend the hon. member for Notre-Dame-de-Grâce, concerning an egg derivative being used in a baby food with no indication of this on the label. There have been other cases in the past, in particular with regard to nuts which can cause an immediate and very violent reaction and indeed lead to death. There was a case in Toronto not very long ago of a child being given a chocolate which contained a walnut. The child was dead before arrival at the poison control centre.

There are many cases which involve the use of peanut oil. Many people are allergic to this product. Some of these allergies can be particularly vicious. I should like to read from a letter which was received from a doctor in Toronto who took the trouble to write on this matter. He gives information from his experience, as he is a specialist on allergies. He said:

> An extreme example along this line is a patient who was attending the allergy clinic at the Hospital for Sick Children. This child was known to be sensitive to walnut. He was given a candy which contained a walnut inside of it and was dead before he arrived at the hospital. Admittedly this was an extreme case and I would not suggest that labelling on all packaged foods would eliminate such errors. Nonetheless it could quite conceivably eliminate a tragic case such as this if the child had properly observant parents.

That is one example taken from his practice. There are many other cases, and it would not be possible to go into all of them in detail. I will mention, however, a case in respect of a member of my family who is allergic to seafood. Quite inadvertently he ate a dish which contained shrimp. About an hour later he passed out at the wheel of his car, and his car ended up in the ditch. It might well have been a fatal accident. The

particular case of this member of my family would not have been prevented by proper labelling, because when one is dining at a friend's house one does not, after all, necessarily receive a list of the ingredients of everything that is placed before him. It is, however, an example of the problem itself.

I should like to continue by mentioning another letter from a doctor. This also deals with the problem and I think will give a general indication of the need for adequate labelling regulations. Again, this man is a specialist in allergies. He states:

As allergists we are concerned with two major problems. The first is acute anaphylactic reactions which may occur following an unexpected exposure to something like nuts or nut oils. The other problem is likely considerably more common and it is a chronic reaction usually due to some major food such as wheat, milk, egg or corn. These chronic symptoms will likely take the form of bronchial asthma or allergic rhinitis and although they are not as dramatic as the acute reaction mentioned above they produce far more disability.

• (5:30 p.m.)

The only way in which a person who is food sensitive can be protected from reactions to that food is by complete avoidance and this, of course, involves adequate labelling of commercial products. Although I have felt in the past that adequate labelling should consist of the major ingredients, I feel if it is at all possible that complete labelling shoud be undertaken.

I quoted from these two doctors' letters to outline to the house the seriousness of the problem.

I should like to spend a short time now on this question of complete labelling. It will probably be impossible to get complete labelling, and I think we all understand that. A dash of pepper may be included in a can of soup, for instance, and may or may not be listed in the list of ingredients for that particular product. Complete listing presents serious problems for manufacturers. We cannot get around these problems by attempting to force them to list everything in their product because that would simply be impossible.

The first problem involved is the space required on the label to list all the ingredients. There may simply not be enough space. Also important is the fact that the manufacturer may change the constituents of a food, depending on the prices of different components. For example, depending on the market values, the manufacturer may choose to use peanut rather than corn oil in his product. The label mentioning the ingredients would probably continue to list vegetable fat or vegetable oil. This would occur in spite of the fact that the manufacturer had changed the actual oil being used in his product. Such a change could lead an innocent purchaser to suffer a severe allergenic reaction.

A possible solution to the difficulty of complete listing of ingredients is the suggestion that a relatively limited number of products, which account for a high proportion of allergenic reactions, should be required to be identified on the label. These main allergens are milk, chocolate, corn, eggs, peas, tomatoes, wheat, nuts, certain flavourings, fruits and vegetables. If we insisted that manufacturers list these particular products which cause the difficulty and ignored others which do not, we would be taking a step in the right direction.

There is another problem involved, and that is the name of the actual ingredient itself. For instance, if casein salts were listed on the label I would not know what they were, nor would many other people, yet they might be a source of trouble for someone who was allergic to milk. It would not be evident to that person that this particular substance was a milk derivative. Monosodium glutamate, which is commonly used in many cooking preparations, particularly in Chinese food, is a wheat derivative, yet if you listed monosodium glutamate on the label the ordinary consumer would not know this. So, it is quite clear there is a special difficulty in identifying various products and using or choosing the correct name for the label. Perhaps I have spent enough time on that particular point, but it is something we cannot correct simply by legislation; it is something that must be considered.

Perhaps the best way of correcting this situation would be by officials of the Department of Consumer and Corporate Affairs and the Department of National Health and Welfare getting together with the industry to work out lists of ingredients which should appear on the label. The department should decide on the correct names for those particular ingredients in order to warn the public of the actual composition of a product.

I think this could best be done, not through the provisions of this bill, but by other legislation presently in existence. While this bill does focus attention on this problem, and is very useful for this purpose, it is unnecessary in light of section 24(1) of the Food and Drugs Act. This section provides that the Governor in Council may make regulations to carry the purposes and provisions of the act into effect.

If I read the act correctly, it would be quite possible for the Governor in Council to regulate the labelling of any food or drug. In other words, if the officials of the consumer and corporate affairs department or the Department of National Health and Welfare decided a certain product should be labelled with the ingredients of a product, legislation exists by which the Governor in Council could make regulations requiring such labelling. I think this would be a more sophisticated and better way of doing this, rather than by passing legislation which would require, regardless of the problems I have mentioned that all ingredients, of all foods be labelled. I think this would be the better way for the reasons I have outlined. Therefore, while I can appreciate and do approve of the intent of this bill, I do not feel this is the best way of achieving the objectives of its proposer.

Before I leave this subject I should like to say a few words about a related matter. It is my opinion that regulations should be forthcoming which require the manufacturers of patent drugs to list all the ingredients of such a drug. If a child takes a product from a medicine cabinet which is simply labelled as "Dr. 'X's' rheumatism remedy", drinks it and ends up at a hospital or a poison control centre, there is simply no way for the doctor or the pharmacist to discover what is in that product except by analysis. This is obviously a time-consuming process. Of course, an attempt could be made to phone the manufacturer, if it was known who the manufacturer was, but this would be a hit or miss proposition. If the manufacturer involved could be found some information might be obtained, but in the meantime the child may well die.

I feel that it is very important for the Minister of National Health and Welfare and his officials to pay attention to this specific problem. I do not believe legislation is necessary, as regulations could be issued under section 24 of the Act which would require all manufacturers of patent drugs to clearly label their products with all the ingredients and the amounts of those ingredients. I urge the minister to consider this matter.

With these general observations on this subject I once more would like to reiterate that the objective of this bill is excellent, but the bill itself is not necessary. I think this matter could best be handled under the existing legislation, specifically section 24(1) of the Food and Drugs Act.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I will just take a moment of the time of this house to congratulate the hon. member for Waterloo (Mr. Saltsman) for feeling the pulse of the people who are affected by the uncertainty about drugs and food. It is very significant at this time that we find members on both sides of the house referring to bills dealing with this subject. We have heard references to Bill C-56, C-12 and Bill C-119. This seems to indicate there is a problem which we must face. There appears to be a duty not only on parliamentarians but on manufacturers to instruct and inform the ultimate consumer. We have heard how important it is that those who are suffering from allergies be advised as to what they are purchasing and how they can become involved.

• (5:40 p.m.)

I need not reiterate the excellent examples that have been given. Therefore, Mr. Speaker, it seems to me we are now faced with problems that exist because of the lack of proper or informative labelling. This problem must be faced and resolved. The hon. member who preceded me said that although this bill is good in principle and is an excellent amendment to the Food and Drugs Act, it is not the right way to bring about this improvement. He referred to section 24 (1) of the act and pointed out that under its provisions the Governor in Council is empowered to look into any matter that requires a change in the regulations. It seems to me that we are moving into an area in which all one hears is "Governor in Council."

I do not have an allergy but it appears to me that we have had several splendid examples of members who have said that this type of legislation is momentous and necessary at this time. Therefore, I believe the question is, are we prepared to face reality in this regard? There is a great complexity in the make-up of food and drugs, which calls for honest labelling. For this reason I fully support the hon. member's bill. I believe Canadians desire information in respect of the labelling of food and drugs. This information is extremely necessary today in order that full protection be given to the consumer.

One has only to look at the many patent medicines which are on sale to realize how much difficulty is caused because of the lack of proper labelling. People must have a choice when purchasing these goods. Through proper labelling they have the right of choice for their protection. There is a great deal of interest in the matter and this has been

demonstrated by the fact that several members of the house have introduced similar bills. Therefore I have no hesitation whatsoever in fully supporting this bill. Having heard the hon. members who have spoken, I believe we need this type of protection. Hon. members have spoken about the allergies from which they suffer, and if these examples are multiplied by the thousand one realizes that there is in this area a great problem which requires our immediate attention.

We, as parliamentarians, must keep our ear to the ground and be concerned about the cry that comes from those who ultimately give us direction. I believe legislation such as this is required. Therefore I have no hesitation and no reservation whatsoever in supporting the hon. member's bill. I hope that the Minister of Consumer and Corporate Affairs (Mr. Basford), having read the bill introduced by the hon. member and the arguments put forward with respect to this question, will not think it necessary to submit the bill to the standing committee for further consideration. We can deal with this matter now. I believe it is in accordance with the intent of the new rules, which have been adopted to reduce the time spent on legislation in the house, that we deal with a matter such as this. This is the proper forum in which to deal with the question because the amendment is simple and its intent is obvious. Therefore I hope the minister will consider all the arguments that have been raised this evening and will follow the suggestions that have been put forward.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the remarks made by previous speakers in connection with Bill C-12 are certainly valid. I am sure they will prove very useful to the Minister of Consumer and Corporate Affairs (Mr. Basford) and the Minister of National Health and Welfare (Mr. Munro) who is directly responsible for the operations of the Food and Drug Directorate. I am sure hon. members have already learned from the press and the Minister of Consumer and Corporate Affairs that there is to be introduced in the other place a bill called the Hazardous Products Act, which may deal with some of the problems raised in this debate.

I believe this government can be described as being consumer conscious. It accepts the right of the consumer to know, the right of the consumer to feel safe. The right to safety, to be protected against the marketing of goods which are hazardous to health or life, is one which I am sure is accepted not only by members of this house but by the Canadian people.

With regard to the specific amendment to the Food and Drugs Act which is contained in Bill C-12 and was explained by the hon. member who introduced the bill, I would like to bring his attention to the fact that section 24 (1) of the act provides that the Governor in Council may make regulations for carrying the purposes and provisions of the act into effect. Paragraph (b) of section 24 (1) specifies that the Governor in Council may make regulations respecting the labelling and packaging and the offering, exposing and advertising for sale of food, drugs, cosmetics and devices. This regulation deals with the size, dimensions, fill and other specifications of packages of food, drugs, cosmetics and devices.

It would therefore appear that section 24 as it now stands provides the necessary authority for the minister, the Governor in Council, to require a complete listing of ingredients of any food or drug. With respect to food, the current policy in the Food and Drug Directorate appears to be that ingredient statements are required only on labels of unstandardized food. Standardized foods include alcoholic beverages, baking powder, cocoa products, coffee, food colours, spices, dressings and seasonings, dairy products, cheeses, ice cream, fats and other substances.

In the food and drugs regulations foods are categorized as standardized and unstandardized. Generally speaking, the so-called standardized foods are not required to carry on their labels a list of ingredients. Other foods falling into the category of unstandardized foods, generally speaking are required to carry on their labels a list of ingredients. There are exceptions, however, to this general rule regarding the listing of ingredients on unstandardized foods and the following 14 groups of unstandardized foods are not required to carry on their labels a list of ingredients. They are bakery products, black pudding, white pudding, blood pudding, confectionery, flavouring preparations, gelatine desserts, non-nutritive seasoning sauces, pastry spice, pickling spice, poultry seasoning, preparations of synthetic colours, soft drinks, and soups.

• (5:50 p.m.)

I should also like to state today that as a general principle the Food and Drug Directorate considers that the consumer is definitely entitled to know what ingredients have

been used in the preparation of food, and that so far as possible all foods should eventually carry a list of ingredients. Discussions have been held with government departments and groups interested in food labelling. A tentative agreement was reached whereby it will be the long term objective of all departments involved to require, so far as possible, a listing of ingredients on all foods.

At the present time the Food and Drug Directorate is examining the 14 groups of unstandardized foods which are not at present required to carry a list of ingredients, with a view to removing them from this exemption. Plans are under way to hold meetings with the processors of these foods to discuss the implementation of this proposal. Approximately 50 per cent of bakery products now carry a list of ingredients. These changes have been brought about on a voluntary basis by the industry with some stimulation from the Food and Drug Directorate. Already a trade information letter to all food manufacturers has been prepared requesting that the industry develop labels for soups which will carry a complete list of ingredients, and it is hoped that the standardized foods will be considered as soon as possible so far as this policy of labelling or listing of ingredients on labels on food products is concerned.

The Consumer's Association of Canada has made representations to the Food and Drug Directorate for a revision of the food and drug regulations to require that a list of ingredients be printed on the containers of all packaged food products. A special joint committee of the Senate and the House of Commons on consumer credit stated in its interim report with regard to the listing of ingredients that, where applicable, ingredients should be revealed both by name and percentage of composition. Since its inception, a group of Canadians who formed an association called Allergy Information has been pressing for a listing of ingredients on all foods. The members of this association being allergic to one or more food constituents, have more than a passing interest in a knowledge of the ingredients of a food. To them, a lack of knowledge of the ingredients of a food may be a very serious health hazard when that food is consumed, and I as a physician understand that well. The lack of knowledge of the ingredients of a food may cause a serious allergic reaction, and perhaps even an anaphylactic reaction.

[Mr. Haidasz.]

Members of the medical profession have also made representations to the Food and Drug Directorate. These doctors, especially allergists, have given examples of cases of tragedies that have occurred when a food was consumed which contained an allergen. I believe that all of these representations are important, and I am assured that the Food and Drug Directorate and the Department of Consumer and Corporate Affairs are giving this matter their serious attention.

I have mentioned the trade letter that has gone out to the manufacturers of soups. Hon. members have probably also read in the press during the summer about the announcement of the Food and Drug Directorate concerning drugs. It issued special regulations for the listing of information on labels. I am sure that the public, and physicians in particular, have benefited from the regulations that are being introduced by the Food and Drug Directorate in the Department of National Health and Welfare.

The problem of labelling is a very complicated one, as mentioned by one or two previous speakers. Many problems arise in the listing of foods. At the present time it is estimated that approximately 200,000 labels will have to be examined. This, therefore, will be a long term project. However, the officers of the Food and Drug Directorate are working closely with officials of other government departments, especially the Department of Consumer and Corporate Affairs which has a direct interest in food labelling. They are exploring the best means of achieving this objective.

Some hon. members have also stated that they have allergies and know from first hand experience how important it is for the consumer to know what is in a particular food. They have appealed for a complete listing of all ingredients on labels on all foods.

I support all the arguments that were brought forth this afternoon and I would like to assure all hon. members that I will bring them to the attention of the Food and Drug Directorate as well as to my minister, the Minister of Consumer and Corporate Affairs, in the hope that further action will be taken to protect the Canadian public.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members business has expired. I do now leave the chair until 8 p.m.

At six o'clock the house took recess.

GOVERNMENT ORDERS

AFTER RECESS

The house resumed at 8 p.m.

FISHERIES IMPROVEMENT LOANS ACT

AMENDMENT SUBSTITUTING RATE PRESCRIBED BY GOVERNOR IN COUNCIL

The house resumed consideration of the motion of Mr. Davis for the second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-151, to amend the Fisheries Improvement Loans Act.

Hon. Jack Davis (for Minister of Finance): With regard to the bill before us, Bill C-151, I should like to say at the outset that I can think of no sector of the Canadian economy which merits the support and the credit of the Canadian nation more than our fisheries. This bill, which will have the effect of modifying the Fisheries Improvement Loans Act in various ways, will be lending the credit of the nation to make it easier for fishermen to build new boats, equip their boats better and improve the tools of their trade so as to prosecute the fisheries in a more effective way.

The net result should be higher incomes for fishermen. Again, the basic purpose of this legislation is to make credit more readily available to fishermen as individuals and to ease the problem of high interest rates which they, in common with many other Canadians, are facing at the present time.

The amendments in Bill C-151 which bear on the Fisheries Improvement Loans Act, an act which dates back to 1955, relate first of all to the character of the lenders. The number of lending institutions is increased. The interest rate at which these institutions can make money available to fishermen is made more flexible and more realistic in present circumstances. Finally, the liability of the minister of finance (Mr. Benson), the liability on the nation's treasury, is increased so as to carry the extra burden which increased loans will place on the credit of the federal government.

The Fisheries Improvement Loans Act which, as I have said, was passed in 1955, was designed to provide term credit to fishermen for a variety of fisheries improvement projects. Loans under this act are guaranteed by the government but in order to qualify for such loans applications must be made in accordance with the act and the regulations made under it. Fisheries improvement loans are made by the chartered banks and by certain credit unions or caisses populaires designated by the Minister of Finance. To these will now be added insurance companies and trust and loan companies. The managers of these lending institutions can advise fishermen whether or not they qualify for these loans.

Only individual fishermen can obtain loans. Companies, or large aggregations of fishermen cannot obtain loans under this legislation. A fisherman is defined as a person who owns or plans to obtain a fishing vessel, or fish catching and related equipment, and who makes his living by fishing.

Loans may be made for the purchase of fishing equipment, the construction of new fishing boats, the purchase of new or used fishing boats, the major repair and overhaul of such boats, shore installations and building used by a fisherman to carry on his business and other fisheries improvements. A loan may be used to finance the purchase of accessories to the boat, such as engines, winches or electronic equipment, nets, lines and traps, equipment used for preserving or preparing fish for sale, trucks, snowmobiles and other vehicles for transporting fish, and a variety of shore installations. These are only a few of the items in a long list of the uses fishermen can make of this assistance under the Fisheries Loans Act.

Details of each loan are worked out between the fishermen and the lending institutions. In establishing the terms of the loan the lender may take into account the type of fishing in which the borrower is engaged, the pattern of his income and his probable ability to repay the loan. In all cases, certain conditions must be met. In recent years legislation has set a limit of $10,000 on the total amount of the loan.

Back in 1955 when the act was introduced, the maximum figure was $4,000. This was increased to $10,000 in 1965. We ought, I believe, to consider whether the present level of $10,000 is appropriate, and in the committee's deliberations I hope we will hear submissions as to whether a figure, say, in the order of $25,000 would be appropriate for the future. A ceiling of $25,000 was part of the legislation passed a few months ago in this house in connection with the Farm Improvement Loans Act.

Fisheries Improvement Loans Act

The maximum rate of interest under the present legislation, from 1955 to the present time, has been 5 per cent per annum simple interest. This will be revised by Bill C-151 along lines similar to the provisions contained in the legislation last fall dealing with the Farm Improvement Loans Act and will be related to the current long term borrowing rate of the nation plus one per cent.

• (8:10 p.m.)

Limits are set on the amount of the cost of equipment or projects which can be financed with a fisheries improvement loan. These limits depend upon the purpose for which the loan is obtained. For most purposes the loan may be made for an amount of up to 75 per cent of the cost of the equipment or project. However, for the purchase of a vehicle a loan may be made for an amount of only up to 66⅔ per cent, or two thirds of the purchase price.

The type of security taken depends upon the purpose for which the loan is obtained. Normally, it takes the form of a mortgage on the article purchased, a lien on the equipment and stock of the borrower, or an assignment of monies owing to the borrower or any combination of types of securities. The borrower must also sign a promissory note.

The maximum period over which a loan may be repaid depends on the purpose for which the loan is obtained. For example, it is three years for vehicles, five years for fishing equipment, fishing boats and major repairs or overhauls, and ten years for all other purposes. Repayment periods vary, depending upon the size of the loan. For example loans of $500 must be repaid in two years; loans of $2,500 must be repaid in four and a half years; and loans of $10,000 in ten years. Repayments must be made at least annually, and in some cases they may be required more frequently.

The Fisheries Improvement Loans Act was designed as an incentive to lending institutions to make credit available to fishermen. I think it is important to keep in mind that the objective of this legislation is to facilitate the making of guaranteed loans to fishermen. The ultimate decision on whether these loans are made or not made rests with the lending institution.

Fisheries improvement loans are guaranteed by the government as to their repayment in the event of default, but the lenders are the source of financing. The lenders of these funds must take into account the prevailing general level of interest rates and the cost to them of their sources of funds.

[Mr. Davis.]

An amendment to the act which makes the rate prescribable by regulation enables the government to establish maximum rates that would be below the rates that fishermen would have to pay in the absence of the guarantee; but this would be high enough to enable the lending institutions to continue to lend their wholehearted support to the program. It would also provide the flexibility necessary to see that the program continues on a fair and equitable basis both to the borrower and lender by ensuring that the rates reflect changes over a period of time in the general level of interest rates. Under these circumstances, it should be possible for a new group of lenders to become active under this program. In other words, new sources of credit are made available to fishermen, particularly to fishermen who have already demonstrated their capability or whose prospects are attractive to the lending institutions of Canada.

This legislation authorizes the Minister of Finance to guarantee loans made by chartered banks and certain designated credit unions for the purposes set out in the act. The first guarantee period was for a three-year period and it has subsequently been renewed for additional periods, the most recent of which extends to June, 1970.

The Fisheries Improvement Loans Act was intended as a companion piece to the very successful Farm Improvement Loans Act and the terms of the legislation were patterned very closely after the latter legislation. Lending under the Fisheries Improvement Loans Act has never approached the levels achieved under the Farm Improvement Loans Act but it has, nevertheless, been a significant source of credit particularly on Canada's west coast.

I might mention that the total number of loans to date since the Fisheries Improvement Loans Act was introduced in 1955 amounts to 2,586, involving an amount of $6,168,800. This $6 million, while large in some contexts, is insignificant compared with the more than $2 billion lent to farmers since the Farm Improvement Loans Act was first instituted in 1945.

In 1955 when the Fisheries Improvement Loans Act was implemented, the maximum rate of interest which could be charged by lenders was established at 5 per cent. At that time, this rate was sufficient to enable lenders to cover their costs of operations given the general structure of interest rates prevailing at that time. The general increase in interest rates in the recent past has, however, made the 5 per cent maximum rate increasingly unrealistic and lenders increasingly reluctant

to commit funds, not only under the Fisheries Improvement Loans Act but other government guaranteed lending programs.

Accordingly changes have recently been introduced in the Canada Student Loans Act, the Farm Improvement Loans Act and the Small Businesses Loans Act to make the maximum rate of interest prescribable from time to time by the Governor in Council. One of the proposed amendments to the Fisheries Improvement Loans Act will remove the 5 per cent rate of interest from the act and, using a formula to be described in regulations, authorize the Governor in Council to prescribe a rate of interest. This will cause in the maximum rate of interest to be adjusted periodically thereby reflecting changes in levels of interest rates generally.

I should like to make reference, in order to describe this rate a little more fully, to a recent order in Council, which is P.C. 1968-2098. Speaking to the Farm Improvement Loans Act, the following appears:

—the rate of interest per annum payable to a bank in respect of a guaranteed farm improvement loan made on or after the coming into force of this section is the aggregate of one per cent per annum and the base rate calculated pursuant to subsection (2)—

That is, one percent over and above the government borrowing rate. Subsection (2) reads:

The base rate for each interest period should be equal to the simple arithmetic mean of the Wednesday closing mid-market yields for all Wednesdays in the averaging period immediately preceding the interest period as computed from the yields as published by the Bank of Canada on all Government of Canada bonds payable in Canadian currency and due to mature,—

(b) where the loan is made for any other purpose, in one to ten years,—

In simple words, the rate of interest to be charged over a period of months under this legislation must not exceed the long term borrowing rate of the government of Canada, experienced in a recent substantial period of time, by more than one per cent. I would expect that had the Fisheries Improvement Loans Act incorporating the amendments contained in Bill C-151 been in effect in recent months, the long term borrowing rate of the government of Canada would be of the order of 6½ per cent, and the maximum rate chargeable by these lending institutions to fishermen would have been 7½ per cent. I mention these figures for illustrative purposes only.

As I said before, chartered banks and designated credit unions are currently eligible lenders under this legislation. Another amendment will enable the Minister of Finance to designate trust companies, mortgage loan companies and insurance companies as eligible lenders. In other words, we expect the numbers and variety of lenders to increase as a result of the provisions of Bill C-151. This change parallels amendments made recently to the Farm Improvement Loans Act, whereby these categories of lender were declared eligible. It is hoped that this amendment will encourage these new categories of lender to participate over a time in this lending program.

The third amendment deals with the limitation of the aggregate amount of loans subject to the minister's guarantee. In other words, the total amount of money lent to fishermen will increase, and therefore the obligation of the Minister of Finance will accordingly increase. Currently this limitation is 15 per cent of the first $500,000 of loans made by a lender and 10 per cent on the aggregate amount in excess of this amount. The proposed amendment will extend the guarantee to 90 per cent of the aggregate amount of the first $125,000 of loans, 50 per cent of the aggregate amount of loans between $125,000 and $250,000, and 10 per cent of the amount of loans made in excess of $250,000. This provision will provide greater coverage to small volume lenders and, hopefully, provide greater incentives for them to participate in this program.

• (8:20 p.m.)

I wish to say also that the experience so far with the Fisheries Improvement Loans Act has been reassuring. The losses under this program have amounted to a fraction of 1 per cent and therefore the fishermen appear to be, on this record to date, very good risks indeed.

Before sitting down I should like to summarize the financial data relating to operations of the act to date. I am referring to the period since 1955, during which banks made loans under this legislation. As I said before, more than $6 million has been lent under this legislation, over half that amount or approximately $3.6 million going to fishermen in British Columbia. In part this may be because the provincial governments in the Atlantic provinces have set up credit institutions to lend money to fishermen, whereas in British Columbia that is not the case. The average loan in recent years has been about $4,500, roughly twice as much as the average loan made under the Farm Improvement Loans

Act to farmers. That fact may influence our final decision about the maximum loan to be made to an individual fisherman under this legislation.

After this bill is read a second time I hope it will be sent to the Committee on Fisheries and Forestry. We are looking for suggestions from hon. members and we will implement the suggestion to send the bill to that committee because we want to improve the credit of our fishermen. We believe the credit of the nation must be available to the fishermen of Canada. If the legislation is properly drafted it will help to support the fishing industry and make it more prosperous in the years to come.

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, I move:

That the motion for second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-151 be amended by deleting the words "Finance, Trade and Economic Affairs" and substituting therefor the words "Fisheries and Forestry".

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, in speaking on second reading of Bill C-151 I wish first to express my appreciation to the Minister of Fisheries (Mr. Davis) for the informative statement he made on this important matter. I also commend him for having his colleague move a motion to refer the bill to the Standing Committee on Fisheries and Forestry instead of to the finance committee. In my opinion the bill belongs in the Fisheries and Forestry Committee. I hope the co-operative attitude the minister has displayed will prevail in future on other suggestions that we on this side will make about other bills before the house.

As the minister said, the act this bill will amend was first introduced and passed by parliament in 1955. It was extended in 1959 for another three years and amended at that time to expand the definition of those who could borrow under it. It was again amended in 1962, and in 1965 the lending period was extended from July 1 to June 3, 1970.

At this time, Mr. Speaker, we are not being asked to extend the period under which loans will be granted. Instead, we are being asked to sign a blank cheque governing the rate of interest to be paid by fishermen on any loans approved in future. This, I might add, is a radical departure from the provisions of the original act which stated simply that the rate of interest to be charged by a lender on a loan was not to exceed 5 per cent per annum, simply interest. Now, we are told that on future loans under this act fishermen will pay a rate of interest to be prescribed by the Governor in Council. We are also told that the bill will authorize the Minister of Finance (Mr. Benson) to designate certain trust, loan and insurance companies as authorized lenders under this act. Also, there will be an increase in the present limit of liability of the Minister of Finance in respect of individual lenders to encourage lending by small volume lenders.

In my judgment these changes will not bring about an increased use of this legislation. Nevertheless, the authorized use of trust, loan and insurance companies is a step in the right direction and may enable fishermen in some parts of the Atlantic provinces to secure loans from these organizations, specially if they reside a great distance from a bank or credit union.

I want to say at once that we in this party support this amendment. Though we have reservations about the increase in interest rates, we will support this bill because we believe that capital investment in modern equipment and technical know-how combined with skilled labour to a given resource will increase productivity and, thereby, total wealth.

For some reason the existing act has not been used by our fishermen to the extent planned by the government. A summary of operations for the fiscal year ending March 31, 1968, shows that a total of only 2,586 loans have been made by all lending institutions throughout Canada's ten provinces during the 13 years this act was in force. These loans amounted to $6,168,800. A study of these figures also demonstrates the character and integrity of Canada's fishermen. During the 13 years this act has been in force the government has been required to settle nine claims only for a total amount of $3,543. The minister said the record of our fishermen is reassuring, and well he might give them this accolade. Their record is outstanding and ought to be given greater prominence by the government. It indicates the strong moral fibre of our fishermen in meeting their financial obligations, even when the making of those payments at times required from them great personal effort and sacrifice. It is evident our lending institutions have little to worry about when granting a loan to a

Canadian fisherman. This may account for the wording in the bill. Clause 3(ii) reads:

—as a result of guaranteed loans made by it after September 12, 1968, a total amount in excess of

(A) ninety per cent of that part of the aggregate principal amount of the guaranteed loans made by the lender that does not exceed one hundred and twenty-five thousand dollars,

(B) fifty per cent of that part of the aggregate principal amount of the guaranteed loans made by the lender that exceeds one hundred and twenty-five thousand dollars but does not exceed two hundred and fifty thousand dollars,—

Considering the amounts which have been lent to fishermen over the years I firmly believe this change will not impose any great liability on the Minister of Finance.

• (8:30 p.m.)

I note that the minister read from the Fisheries Improvement Loans Act bulletin, which is provided for the information of the fishermen, containing the changes he has outlined. I assume that all the other six terms and conditions respecting loans as listed in the original act still apply.

However, in his statement the minister has not provided us with any explanation of the lack of use of this act by our fishermen. In Nova Scotia it is evident that the fishermen are aware of the act but only 575 loans, amounting to $1,173,147, have been made since the inception of this legislation. In neighbouring New Brunswick only one loan was granted last year in the amount of $1,200, and since the act's inception only 170 loans were made in that province for a total amount of $131,378. In other provinces the story is much the same, and no doubt members from those areas will place on the record their views regarding this aspect of the legislation.

It is evident that this act in the past has not fulfilled the role for which it was designed, and I believe that the proposed increase in interest rates will make it even less effective in future. The increase in interest rates will certainly meet with the approval of our lending institutions but I cannot envision many fishermen jumping up and down on the wharves in the Atlantic provinces in praise of this change.

Since the facts would indicate that the fishermen generally are not aware of the act, I would suggest that the government give greater publicity to the measure by issuing better, perhaps more descriptive pamphlets, about it than the one which I now hold in my hand entitled, "Fishery Improvements Loan." From the facts that I have placed on the record it is evident that the fishermen are not aware of this particular program. If a better, more descriptive pamphlet were prepared by the minister and his department, and distributed by his many officials who operate in the Atlantic provinces as well as in his own area in British Columbia, this would be helpful in making fishermen aware of this particular aid.

There seems to be an attitude prevalent among Liberal government supporters and their advisers in Ottawa that the sky is the limit when it comes to spending. They seem to think when money gets tight all you have to do is increase the interest rates and more money will automatically become available from Canadians. From time to time we have heard pious protestations that spending would be curtailed, that the budget would be balanced, that we would get back to a sound economic policy, but the facts would indicate that this type of talk was only for the hustings. In truth, as we say in Nova Scotia, it was only the wind whistling in the rigging, and it is now evident that the government has lost complete control of Canada's finances.

It is this lack of control of expenditures by the government which makes it necessary to state in this bill that future loans made under the act will only be at rates of interest prescribed by the Governor in Council. With the fisherman's costs of ships and equipment constantly rising, and with prices generally for most of his products, particularly frozen fisheries products in the important United States market declining, I ask the minister and his colleagues where do they think the fisherman will get the money to pay higher interest rates? For that matter, what does the minister think will encourage the fisherman to secure a loan and plunge himself deeper and deeper into debt? A fisherman cannot operate his business in a manner comparable with the way in which the government is trying to run Canada. For example, last February the government estimated its spending at $10.2 billion while the latest estimate is some $400 million higher than that figure. If fishermen are to be classified as a good credit risk they must show good common sense and, above all, act in a responsible manner, which is a trait I would recommend for the consideration of the government.

It is impossible to think of a capital assistance program for the fisheries of Canada without realizing the tremendous importance

of the fishing industry to the Atlantic provinces. The primary and processing branches together contribute over 8 per cent of the total net value of commodity production in the area, employ more than 6 per cent of the regional labour force, and fish products make up approximately one fifth of the total regional exports. However, in recent years the fishing industry has been going through a period of radical adjustment and there is really no quick solution—I am the first to recognize this fact—to some of its problems.

For example, on the Atlantic coast we have a highly productive, heavily capitalized off-shore fishery, and also a low productive, highly seasonal, labour intensive in-shore fishery yielding low incomes to those who rely on it for a livelihood. In addition, in the last 20 years there has been a tremendous shift from the traditional salt cod industry to the more diversified fresh and frozen fish products industry. Increasing pressure on fish stocks, not only by Canada but by other large fishing nations, has led to diminishing rewards for our fishermen and lower returns on their investment. Looking at the over-all industry there has been a downward trend in fisheries employment because the expansion in the offshore industry has been more than offset by a decline in inshore fishing activity.

In my opinion, this situation will continue and in fact will intensify in the years ahead, for it seems to me that in all industries the day of the independent, small scale primary producer is fast drawing to a close. The larger ships, the new and different fishing methods and equipment, plus an ever increasing use of electronic equipment have put all but a few of the small operators out of step with the present.

I believe future developments in the fishing industry must be viewed within the context of the development of the economy as a whole. I know the minister is working towards that end and he has given us some idea of what we can hope for in the future, but we in the Atlantic provinces hope it is not too long in coming. We look with much longing for his program, which from time to time he has hinted is coming.

Since it is evident that the off-shore fishery is more productive, and provides steadier employment and higher incomes, I believe we must give more thought to programs which will assist our fishermen to take advantage of this resource. In fact, with the expansion taking place in the fishing fleets of other nations we have no choice but to expand further our off-shore fleet if we wish to capitalize on this industry and provide further employment for our people. When you realize that we as Canadians are sending only one ton of fishing equipment to sea for every 80 tons sent by other countries you begin to realize that we must wake up, that we must look around and seize the opportunities that are open to us before they are taken away and developed by others.

Another interesting fact is that the ratio of Canadian fishing ships to those of other countries off to our shores is approximately 1 to 22. Now, this offshore expansion cannot take place over night. Some of our inshore fishermen are not young enough or physically capable of engaging in the offshore fishing industry. Therefore, some of this change can only come about as other jobs become available in other fields.

This is one of the reasons that we also look forward with interest to the regional development program of which we heard so much during the June election—

Mr. Stanfield: And seen so little of since.

Mr. Crouse: —and have seen so little of since that time. Any development program must be beamed toward our younger people, letting the eventual retirement of older fishermen gradually reduce their numbers to more acceptable levels, even though this may take a slightly longer period than would otherwise be desirable.

By encouraging programs which will expand the off-shore fishery it is hoped that the number of in-shore fishermen will be reduced, thus providing the inshore fishermen with a better chance of catching more fish and earning a better standard of living.

• (8:40 p.m.)

In summing up, I would suggest to the minister that if we are to have an orderly development of a modern fishing industry we must give encouragement to the trend from small inshore fishing operations to larger off-shore fishing vessels and even more modern fishing techniques. In order to bring this about the minister and his officials must give further consideration to the present ship-building subsidy program and reactivate the fishing vessel assistance program. Obviously this legislation which we now have under consideration is not adequate for this purpose. It alone will not enable our inshore fishermen, who are desirous of building 65 foot or 75 foot longliners, to achieve their goal. A

fisherman or even a group of fishermen would find it extremely difficult to raise the necessary down payment in order to acquire a 65 foot or 75 foot longliner. Yet in the context in which I have presently explained the industry, this is an absolute necessity because the numbers of fish found on our inshore banks are declining. In order to go further afield, say, to Brown's or George's Bank where fishing is more profitable, the fishermen do require a larger ship.

Many of the fishermen have expressed their opinion to me that they require a ship of a minimum of 65 or 75 feet and of course they are unable to raise sufficient capital to construct this type of ship. The entire industry in some sections of Nova Scotia has come to a standstill, especially in areas where these so-called small boat fishermen are operating in considerable numbers. There was a time when none of us who are interested in the industry would look upon a 65 foot or a 75 foot ship as a small boat, but times change. I find now that our inshore fishermen are looking with interest to this type of ship and hope for the day when they will be able to build one and operate it along with their sons or immediate relatives. It is for this reason I hope the Minister of Fisheries will look carefully at the over-all program of assistance to the fishing industry. Of course one by-product of this type of assistance will be aid to our shipbuilding industry which is facing very serious economic difficulties at the present time. All of these problems will not be eliminated by this one particular move by the fisheries minister to reinstitute a subsidy program, but I can assure him it will be a considerable help to the people whom I have mentioned.

The traditional concept of the fishery as being an industry offering hard work, long working hours and little pay must change if it is to attract more young and energetic people. In my opinion, the fishery of the future will have to compete in every way with other industries. I believe this will involve the use of still larger ships with alternate crews to reduce the time each man spends at sea. Such a practice will also reduce the turn around time in port thus ensuring maximum use of this highly capitalized industry. In my opinion, the future development of the Atlantic fishery should be more planned and orderly than has been the case to date. Since most production in the industry is geared to the same market, the expansion in one province or area should be considered in relation to the expansion in other provinces or areas and in the light of existing or potential market conditions. This is one area in which I believe the Minister of Fisheries can be most helpful. I would suggest that both he and his officials could act as co-ordinator and a clearing house on development plans in the provinces. This type of co-operation is absolutely essential if marketing problems such as those which exist at present are to be avoided.

It is only through well planned, well co-ordinated programs of development that the fishing industry can reach its full potential and play its full part in the future development of the Atlantic provinces. Much has been done but the surface has only been scratched and much more remains to be done. We look to the minister for some proposal which will be helpful. I hope some of the suggestions I have made will be helpful to the minister. I can assure him it is the intention of members on this side of the house to co-operate with him in the implementation of any legislation that will be beneficial to the over-all industry.

Mr. Davis: Mr. Speaker, before the hon. member sits down I wonder whether I might ask him what, in his opinion, would be the average size of a loan which would be sufficient to help an individual fisherman finance a good, efficient, modern vessel for fishing in, say, Nova Scotia.

Mr. Crouse: Well, Mr. Speaker, the question of the Minister of Fisheries is an interesting one. It is almost impossible to reply until one knows the type of ship which would be required by the fisherman. For example, it might be a 65 foot or 75 foot ship which could be used in Danish seining. It could be a ship which would be used for the scallop dragging industry on George's Bank and/or conversely which could be used as a longliner or for ground fishing. It would depend entirely on the area in which the ship was to be operated. For instance, if it were to be operated in the Bay of Fundy it would require heavy power since the strong tides and currents in that area require that a ship have more power than one which would be operating in some other area. One would need to know the type of equipment involved, whether it would be for scallop dragging, Danish seining, ground fishing or longlining. If it is to be a longliner with 20 miles of nylon line, 1,000 floats and over 1,000 hooks it will require considerable capital investment. Conversely, if it is to be utilized only in the lobster industry some of this more expensive equipment would not be required.

Therefore, I would not be in a position to hazard a guess which would be useful to the minister, but I am sure this information is available from the fishermen's loan boards in the four Atlantic provinces. The minister could readily glean that fact from any of the officials. I am sorry, but I cannot give a more constructive reply to his question.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the government brings in a bill amending a good piece of legislation and tells us that the purpose of the amendment is to improve the existing legislation it is standard practice from the opposition side of the house to say, "We welcome the amending bill." I wonder whether we really should welcome this piece of legislation. Indeed, I think not. I took note of the words of the hon. member for South Shore (Mr. Crouse). He said his party welcomes it but has misgivings about the part of it that raises the interest rate. Well, I submit there is not much else in the bill. I know there are two other things but I doubt whether the bill would have been brought in at all were it not for the purpose of taking off this 5 per cent ceiling on the rate of interest.

I suggest this long line of government bills to raise interest rates is becoming pretty dreary, pretty monotonous. It started a couple of years ago when the ceiling was taken off the rate of interest which banks may charge, which for many years was fixed at six per cent.

• (8:50 p.m.)

Members who were here and members who were not here will remember that the aim was to assist the little man. Well, we have now heard a statement from the governor of the Bank of Canada which confirms our view of that proposal, namely that it has turned out to be more beneficial to the banks than it has to the little man.

We have a government that has brought in a formula under which the interest rates on housing have gone up and up and up. Members will also remember the many days we spent on farm legislation. What was it that was central to each of those bills? Each of them raised the interest rate. In fact, I quite expect that before this debate is over some of my farm colleagues will get up and make speeches on this fisheries legislation, and they will make them very easily. All they will have to do is pick up the speeches they made on the Farm Improvement Loans Act and make the same speeches but substitute dried fish for damp grain.

Mr. Lang (Saskatoon-Humboldt): They could just repeat them from memory.

Mr. Knowles (Winnipeg North Centre): They could make them without reading them; that is correct. I am glad that the Minister without Portfolio recognizes the parallel between what is being done for the fishermen and what was done for the farmers. What is the government saying that is being done for the farmers, the fishermen and the little man? It is saying nothing except that we will have these higher interest rates. If we get through this debate, the next item on the order paper for the attention of the house is an amendment to the Veteran's Land Act. Can't you just hear the same screech coming from the government that it is doing this because it is good legislation and it wants to improve the situation for veterans? What does it do? It removes the 5 per cent interest ceiling.

I do not think we can take ourselves into affluence and prosperity and into a just society by raising the interest rates all around. I suggest that what the government should be doing in this area, instead of giving in to the trend and instead of going along with higher interest rates, is taking steps to roll back interest rates.

Mr. Baldwin: Be careful of that word "trend".

Mr. Knowles (Winnipeg North Centre): The hon. member for Peace River (Mr. Baldwin) suggests I should be careful of that word "trend". We have a "trendy" Prime Minister (Mr. Trudeau) who is following the trend, which is to raise interest rates for the so-called benefit of the little man, the working man, the farmer, the fishermen and the person who needs housing. The result is, of course, that interest rates just go higher and higher and people have to pay more for the money they get and suffer more in paying it back.

Mind you, there are some interest rates that do not go up. The government is still paying only 4 per cent on the money that is in the civil service superannuation fund. I must be careful or I will get off on a speech which I would not be in order in making, but I think I have made my point.

We have contended in respect of housing that instead of undergirding and guaranteeing high interest rates there should be direct government loans for the building of homes.

When we were debating farm matters my friends from farming constituencies took the same position in respect of loans to farmers for farm improvements and other purposes. They suggested instead of undergirding and supporting these higher interest rates there should be direct government loans.

I suggest that if the government is going to be of any help to the fishing industry, instead of this kind of legislation it should be bringing in provision for direct government loans. I support that part of the speech of the hon. member for South Shore (Mr. Crouse) when he objected to the interest rate. I also support the more important part of his speech in which he said there were other important things like the building of ships and other arrangements to build up the fishing industry which should be done if the government is really interested in this whole matter.

I do not intend to make a 40 minute speech and I hope the minister does not get up and ask me technical questions as to what is required for fishermen on the south shore of Nova Scotia. The only difference between the hon. member for South Shore and me is that I would not even try to answer. But I do know the difference between a 5 per cent interest rate and an interest rate that has no ceiling but which becomes 6 per cent, 7 per cent, 7½ per cent, 8 per cent or 9⅜ per cent, which is the rate that has been reached for housing under the National Housing Act.

I do believe that in this whole field, from the taking of the ceiling off the interest rates the bank can charge on through the price, the government has taken the people who need homes, the fishermen who need assistance, the veterans who need assistance, the farmers who need assistance, and all the rest of us, down the garden path.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, in rising to speak on this bill I should like to make a few remarks about its relation to the province of Newfoundland. Whilst I do not wish to appear too regionalistic in my views by confining my remarks to the province of Newfoundland in so far as this bill is concerned, I must point out that the fishing industry, while it plays a very important part in the economy of the other Atlantic provinces, plays an even greater part in the economy of Newfoundland. While there are a number of people employed in the fishing industry in other Atlantic provinces—people who derive a livelihood from the fishing industry—I would suggest again that there are more people who derive their livelihood from this industry in Newfoundland, at least proportionately, than in any other province of Canada.

I should like to say to the Minister of Fisheries (Mr. Davis) through you sir, that this act and the amendments thereto which we are now discussing is just another empty gesture on the part of the federal government so far as Newfoundland is concerned. I should say that whatever its virtues may be so far as the fishermen in Canada are concerned, it does nothing—I repeat, absolutely nothing—for the people of my province, but emphasize the difference between other Canadians and the people of Newfoundland.

Since the inception of this legislation there has been a total of 2,586 loans made. There have been only 18 loans made in the province of Newfoundland. Of a total of $6 million loaned under this legislation only 18 loans amounting to $23,000 have been made to the fishermen of Newfoundland at the old rate of 5 per cent. The fishing industry is very important to my province when 25 per cent or ¼ of the population is directly or indirectly affected by this industry. The drastic state of the industry and the economic conditions that exist have made it impossible for Newfoundland fishermen to take full advantages of this legislation.

As I have said, since the inception of this legislation only 18 loans totaling $23,000 have been made to Newfoundland fishermen at the rate of 5 per cent. I ask you, how many fewer loans will be made when the interest rate has been lifted to accommodate chartered banks? Obviously, the interest rates will be increased, and the minister mentioned a figure of 7½ per cent. In the past when the interest rate was 5 per cent, the fishermen in my province only received 18 loans. I suggest that under this new legislation when the ceiling has been lifted absolutely no loans will be made to Newfoundland fishermen.

I do not know how welcome or beneficial this amendment will be to fishermen in other parts of Canada, but I can say without fear of contradiction that it will be completely useless so far as the Newfoundland fishing industry is concerned.

• (9:00 p.m.)

This legislation is just too sophisticated for an industry that has been allowed to languish in stone age techniques for too long. The bulk of the fishermen in the Newfoundland area and, I suspect in the Atlantic area generally, go to the fishing grounds in small, wooden

boats and put out nets and lines by hand. They are competing with foreign fishing fleets complete with modern vessels, advanced fish catching and processing techniques, factory ships and the latest electronic and mechanical aids.

What we need most is assistance to bring the east coast fishing industry, and in particular the Newfoundland fishing industry into the twentieth century. We need a program of co-ordinated government assistance that will help the east coast fishermen, the Newfoundland fishermen, to achieve an equal competitive footing with the modern fishing fleets of other nations. Then, and only then, can we expect the Newfoundland fishermen to take advantage of legislation such as we are debating tonight.

As I understand it, this legislation simply provides that fishermen may obtain a bank loan at the going rate of interest. In order to persuade the chartered banks to make funds available, the government will guarantee these loans. I ask the Minister of Fisheries this question: How can the ordinary fisherman in my province even think of borrowing money which must be repaid in ordinary ways? How can a fisherman in my province think of borrowing money when his income is completely inadequate to handle such a financial burden and when the industry from which he makes that income is in such a sorry state?

The other day the Leader of the Opposition (Mr. Stanfield) complained in this house about the advertisements currently appearing in various newspapers and magazines. These advertisements are placed in the newspapers and magazines by the chartered banks in order to encourage people to spend beyond their means on frills and luxuries. As the Leader of the Opposition pointed out, this policy defeats the aim of the government to cut back spending and extravagance in order to control inflation. Surely, legislation such as this, carrying as it does the authority and prestige of the federal government, is nothing but an open invitation to the Newfoundland fisherman to plunge into debt away over his head.

I suggest that if by obtaining a loan provided by this legislation the fisherman could hope to better either his income, or his standard of living or his ability to catch more fish, it might be a worth while gamble. But all he would do would be to spend money in a hopeless attempt to catch up with his competition. He would find himself no further ahead, and certainly further in debt.

[Mr. Carter.]

As I said before, Mr. Speaker, and I repeat, what the Newfoundland fisherman needs is not legislation such as this but legislation that will help him tackle the root problems that beset his industry. He needs legislation that will help him overcome the social problems which he faces. Before we extend loan facilities to the people of my province we must bring them up to a position where they can usefully employ such loans. We must devote our attention to assisting fishermen on the east coast, and those in Newfoundland in particular, to improve their method of operation, their fishing techniques and means of marketing.

I am interested in an answer given in the house by the Minister of Fisheries to a question which I put to him concerning the establishment of a salt fish marketing board in Canada. I am looking forward with great interest to an announcement by the minister to the effect that this board will be established. I am sure I speak for all the fishermen in my province when I say we are keenly interested in this proposition. Such a marketing board should be established and, as I have said before, we are eagerly looking forward to an announcement by the minister in this respect.

I understand that before the end of January or some time soon a statement will be made by the government outlining the assistance that will be given to the fresh frozen fish industry on the east coast. I am very much interested in this question. I think I speak for all the fishermen in Newfoundland, and indeed all the fishermen in eastern Canada, when I say that we are anxiously awaiting the minister's statement in this regard.

There is a great need for drastic, immediate action by the government to improve the lot of the average fisherman on the east coast of Canada, especially those in the province of Newfoundland. I am sure members of this house and the minister are aware of the situation that now exists in my province. The fresh fish industry is in a state of chaos. Plants are threatening to close, and indeed in many instances have closed. They have been unable to make a "go" of it.

As I have said before in the house, unless the government accepts its responsibility in this respect and brings forward a plan of assistance, the fishing industry in Newfoundland and, I suspect in eastern Canada, will not survive. I do not wish to appear pessimistic but I think we have to be realistic. The

fishing industry must have immediate assistance from the government. This assistance is all the more important to the province that I have the honour to represent. In my province, as I have said before, almost 25 per cent of the people derive their living directly or indirectly from the fishing industry. I urge the minister and his colleagues to come up with a plan to save the fishing industry of Newfoundland. The situation now is such that unless a plan of assistance is forthcoming the fishing industry is in grave danger of collapsing.

The legislation which we are now debating is of little or no use to Newfoundland in that the fishermen have not obtained loans under this program. Since the inception of the legislation only 18 loans out of a total of 2,586 have been made to fishermen in my province. I suggest this is because the Department of Fisheries has not publicized the program. I do not know to what extent the program has been publicized, but I suggest there must be some way in which it could be publicized more effectively in provinces such as Newfoundland to enable the fishermen to understand the program and avail themselves of loans under it. Perhaps the Minister of Fisheries could explain why in Newfoundland only 18 people out of a total of 2,586 have made use of the money available under this act.

I ask the minister to take steps to give this program wide publicity and try to find a way whereby fishermen who qualify for a loan under the act may be spared the time and trouble of having to travel long distances to the chartered banks or trust companies in order to obtain a loan. I ask him to try to find means whereby loans may be approved by perhaps fishery officers or officials of his department, thereby saving the fisherman the trouble, time and money involved in travelling to the larger centres in Newfoundland in order to make application for a loan.

• (9:10 p.m.)

Mr. Tom H. Goode (Burnaby-Richmond): Like many members of this house who concern themselves with the welfare of the fishing community, I welcome the introduction of these proposals at this early time. I congratulate the minister upon introducing the legislation, and indeed since the hon. member for Capilano (Mr. Davis) has been Minister of Fisheries the fishermen of Canada, and particularly of British Columbia, are becoming accustomed to receiving constructive measures to deal with their numerous difficult problems.

The fisherman is, in essence, a small business man who requires medium range, low cost credit to improve and extend his operations, just as farmers and industry require low interest credit to conduct their operations.

This act has become archaic in the last 12 months and of little or no use to the industry because the present interest rate of 5 per cent has become unrealistic and certainly unobtainable. Financial institutions such as banks and credit unions are finding they must pay their depositors more than 5 per cent for the use of their funds. The credit unions, which have always enthusiastically supported the small fishermen, have reluctantly turned their lending support elsewhere in order to justify investments to the depositors.

Further, the government's guarantee of 15 per cent of the capital lent by the institutions is unrealistic and not in line with government policy in other fields such as agriculture and housing. The fisherman has found himself in an unsolvable dilemma. He has a government which would guarantee his loan, but he cannot find an institution which would accept the terms. Therefore, he has turned elsewhere and been forced to enter an unfavourable money market where rumours of bad catches and poor fishing returns have followed him.

Fishermen are told they must pay 10, 12 and 16 per cent for their funds; a price they can ill afford. Owners of fishing boats have turned to the fish buyers, the suppliers and the packing houses for their needed funds, a situation which is completely unsatisfactory to both the fishermen and the companies. The companies, in turn, must now borrow moneys to meet the boat owners' needs and are unable to use their credit facilities to modernize or build new plants, forcing down the manufacturer's productivity. The fishermen who obtain loans from these companies naturally feel bound to them, as far as the sale of their fish is concerned, and feel unable to take advantage of a competitive market.

It would indeed be attractive to retain the 5 per cent interest rate for fishing vessel improvement and purchase but completely unrealistic for it is much better to have 7 or 8 per cent money available than no money whatsoever at 5 percent. Indeed, this interest amendment is a realistic one which will be welcomed by fishermen and fish packing companies on both coasts.

The amendments regarding a 90 per cent guarantee of the first $125,000 will be accepted by small credit unions across our nation with open arms for once more these institutions will be allowed to assist the small fisherman, a position the community minded credit union wishes to enjoy.

But I suggest there is one section of this act which must be criticized to the fullest extent and there is an omission in the legislation which must be pointed out to this house. The fact that the amount to be borrowed remains at $10,000 is completely unacceptable. If we expect the fishing industry to benefit from our efforts, we must increase this amount to at least $30,000.

Some hon. Members: Hear, hear.

Mr. Goode: Let us look at government policy in similar situations during the last few months. Indeed, we recently increased the amount an individual could borrow under the farm improvement act from $15,000 to $25,000. The average farm loan is only $2,600, whereas the average fisheries improvement loan is $4,500. Therefore, in this situation, $30,000 is far more realistic.

The house must keep in mind that current shipbuilding costs, boat engines replacement costs and the cost of equipment have risen above those of 1965 when this figure of $10,000 was considered adequate. It is my hope that after this bill is completely reviewed by the house, the government will relent on this outdated and confining limit and let us have a realistic ceiling of $30,000 for our fishing industry.

In conclusion, Mr. Speaker, may I say that the proposed amendments are simple ones. They will encourage more participation by financial institutions, and as a result fishermen will have greater opportunity to borrow on reasonable terms and conditions to meet their growing capital needs. These amendments will contribute to greater efficiency, to reducing the cost of financing and to assisting in the productivity of a very important primary industry.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, first of all I wish to congratulate the hon. member for Burnaby-Richmond (Mr. Goode) because my reasoning is along the same lines. Bill C-151 to amend the Fisheries Improvement Loans Act certainly has some sections which are welcome. For example, clause 1 permits an insurance company, trust company and loan company to become a lender under the act, in addition to those lenders already approved by the Minister of Finance (Mr. Benson) such as banks, credit unions or other co-operative credit societies. I certainly support that provision because it creates better opportunities for our fishermen to obtain loans under the act.

Clause 2 of the proposed act is amended so that the maximum rate of interest of 5 per cent which now exists is replaced by such rate or rates of interest as may be prescribed by the Governor in Council. I assume that the same rate will apply here as will apply to loans to farmers which we discussed before Christmas. This, too, can be considered favourably.

If banks and other lending institutions are not interested in making loans because the interest rate is too low, then this is all to the good because other lenders will be more interested in making loans. If this is the case, it might enable more fishermen to obtain loans but an additional burden is added to some fishermen because the amount of their monthly or yearly payments is increased. So, I am sure the fishermen will not jump with joy on the wharves or elsewhere on hearing of this amendment. However, we must be constructive and we must ask ourselves who else can obtain loans at 5 per cent? Why should fishermen be set apart from the rest of the borrowers? I am sure this was the thought which the minister had when he proposed this amendment. But I am sure that if other interest rates had not gone up such as those relating to housing and other industries, and if this were not the trend as suggested by the hon. member for Winnipeg North Centre (Mr. Knowles), the minister would not have followed this course. His reasoning would be correct if the fishing industry were operating on a similar basis to that of any other industry.

Until the government introduces legislation or policies to ensure that all segments of the economy operate on the same profitable basis, we will have arguments.

• (9:20 p.m.)

I am not saying that all fishing operations are unprofitable. The groundfish industry in the Atlantic area is having its problems but in my own area the industry has become more diversified which enables more solid operations to be carried out, for example, fishing for lobster, scallop and herring. I am convinced there is a future for fishermen engaged in this type of fishing.

Clause 3 of the bill is also welcome. It encourages lending and it protects small volume lenders.

Up to now, I have not been too critical of this bill. But I do say to the minister that if he wishes to improve the fisheries loans legislation he should do a more thorough job. Why doesn't he go all out? This bill is essentially one to protect the banks and loan companies by increasing interest rates and by guaranteeing to the extent of 90 per cent, in one case, loans which do not exceed a total of $125,000.

This is all well and good. But what improvements have been made to help the fishermen themselves? This is what the act should be chiefly concerned with doing. The main reason for the ineffectiveness of the federal legislation is that the ceiling on loans is still too low, despite the increase from $4,000 to $10,000. The purchase of a purse seine, or a mid-water trawl, or equipment for crab fishing for a modern fishery, to name just a few items, represents an investment substantially greater than $10,000. As I say, if the minister wants to improve the act, why doesn't he go all out? I am talking, now, about loans to the profitable segment of the industry. I am not talking about a subsidy. I am talking about loans to make the industry modern and efficient in accordance with the wish the minister himself has often expressed in his speeches.

Yes, Mr. Speaker, we are always protecting the big men, the big companies, the big corporations. And we always seem to forget the small man who has ambition and who would like to do something but is unable to get ahead because his family is not rich or because he doesn't know the right people. It is a disgrace, but most of our legislation protects the big man.

Granted, as the minister has said, that more than $6 million has been lent to fishermen since the inception of the act six years ago. In the ten year period from December, 1955 to March, 1966, a total of approximately $3 million was lent to the fishermen of Canada. But here is a comparison. In a one year period from April 1, 1967 to March 31, 1968, the fishermen's loan board of Nova Scotia lent fishermen no less than $6 million, or a little over. These new amendments will help, but they are not the real cure for the problems which the fishermen or the industry as a whole are facing.

The government has virtually put an end to the subsidy program in connection with wooden fishing vessels. The Minister of Fisheries (Mr. Davis) says we cannot afford it. Very well, I will go along with that. If we cannot afford it, fine. Here is one way in which we could help. Why not assist fishermen by means of improvement loans which could be protected by the fisheries indemnity plan, one which provides the useful and attractive insurance scheme for fishing boats? This plan makes provision for maximum coverage of $25,000 and is self-supporting. Again, the maximum here could be increased so as to fully protect all loans. The government would be protected and fishermen would be equipped with better facilities to make the industry more profitable. The reason insurance coverage on boats is not increased is, once again, that to do so would affect the insurance companies. Once more we are protecting the big men. Let us stop playing politics, stop protecting the big guys, and help those who need help and who want to help themselves. I ask the committee to consider these suggestions carefully in due course.

Mr. James A. McGrath (St. John's East): I was interested in the minister's statement in introducing this bill for second reading. I was interested and surprised because he confined his remarks to the narrow confines of the bill before us, an act to amend the Fisheries Improvement Loans Act.

In the course of his remarks the hon. gentleman failed to make any reference to the very serious problems facing the ground fish industry in Canada today. He failed to make any reference to the fact that this legislation is of no value whatever to the ground fish industry. One can only conclude he omitted to refer to it because he does not fully understand the situation.

In the course of the oral question period today the minister said in reply to a question I put to him that within the month he would be announcing government policy regarding—and I am paraphrasing—interim assistance to the ground fish industry. That is an improvement.

It is an improvement of 100 per cent, because we know that before the Christmas recess the minister was adamant in his refusal to give any indication that the government would provide assistance to the harrassed ground fish industry in Canada before the beginning of the next fiscal year in March of 1969. He was adamant in this regard even though the industry in eastern Canada had indicated to him that the whole of the ground

fish industry was on the verge of total collapse because the government had cancelled the program of deficiency payments in October of last year. This course had been taken even though the factors contributing to the crisis requiring the deficiency payments were continuing and had in fact been accentuated. As I say, Mr. Speaker, it is an improvement. The minister has indicated, at least, that the government now recognizes the emergency nature of the situation, the existence of a crisis within the industry. He now recognizes that the industry must have interim assistance until the government gets around to long term policy planning in this regard.

• (9:30 p.m.)

This situation was brought about by factors over which the industry has no control. The minister well knows that it was brought about by conditions that are totally within the jurisdiction of the federal government. It has resulted from increased competition from countries who have devalued their currency, countries of the sterling bloc that have increased the subsidies paid to their fleets and in the process have flooded the United States market to the detriment of the industry in Canada. These are factors over which the Canadian industry has no control but which do fall 100 per cent within the jurisdiction of this government.

In introducing second reading of the bill this evening, the minister failed to make any reference to the critical situation facing the industry today. Only a few hours previously, on the oral question period today the minister said that within the month, presumably before January is out, the government will be announcing interim and long term planning to assist the ground fish industry of Canada.

As I say, in introducing the bill this evening the minister made no reference to the crisis facing the industry, knowing in his own heart that the industry is on the verge of total collapse because of government inaction. The minister knows that seven fish plants in the province of Newfoundland in the last two years have had to close down. At least, three have closed and four are going to close at the end of this month. These closures are due to the crisis in the United States market.

The minister also knows that the same acute situation is facing the Nova Scotian industry, which also is on the verge of collapse as a result of the same factors. Yet the minister stands in his place tonight and talks of an amendment to the act which, as the hon. member for Winnipeg North Centre (Mr. Knowles) said, merely gives the government the power to increase the rate of interest charged on fisheries improvement loans.

[Mr. McGrath.]

In actual fact this legislation is of no use to the Canadian ground fish industry; it is valueless to them. It is of great interest to the British Columbian industry, and I would be the first to support the legislation in view of that fact. But the Atlantic ground fish industry is facing a serious crisis, and in this regard I should like to put some facts on record.

I should like to make reference to the Fisheries Improvement Loans Act annual report for 1967-68. According to this report, since the inception of the act the province of British Columbia has taken advantage of the provisions of the act and borrowed $3,591,662. This act came into effect in 1955. The province of Alberta has, of course, borrowed nothing. The province of Saskatchewan has borrowed $1,440. The province of Manitoba has borrowed $28,505. The province of Ontario has borrowed $98,681. The province of Quebec has borrowed $112,796. The province of New Brunswick has borrowed $131,378. The province of Nova Scotia has borrowed $1,173,147. The province of Prince Edward Island has borrowed $1,008,188. And lastly, the province of Newfoundland has borrowed $23,003. Since the inception of the act the province of Newfoundland has been extended 18 loans to the amount of $23,000, compared with the province of Prince Edward Island with 850 loans to the amount of $1 million.

There is my proof that this legislation is of no use whatever to the ground fish industry in Canada. As the hon. member for St. John's West (Mr. Carter) has indicated, 25 per cent of the population of the province of Newfoundland is dependent for their livelihood upon the ground fish industry. Yet the province of Prince Edward Island, with a population of 100,000, has been able to take tremendous advantage of this legislation.

As I say, in his introduction to the second reading of this bill the minister failed to make any reference whatever to the very serious situation facing the ground fish industry in eastern Canada, even though the bill provided him with the vehicle for so doing. I might say this is the first opportunity he has had to do so since his estimates were presented to the house before the Christmas recess. All this legislation does is to give the government the necessary authority to increase the rates of interest charged under the legislation.

It will make no difference to the ground fisherman or the cod fisherman whether the chartered banks, the insurance companies, the mortgage companies or any of these lending institutions are empowered to make loans under the act. He will still not be able to take advantage of the act's provisions for the simple reason that the lending institutions within the ambit of the act do not lend money to small economies of the sort with which the ground fisherman has to contend with his annual income of $1,000 a year. What lending institution or loan company would look at our inshore fisherman?

Statistics speak for themselves; they cannot be denied. The statistics that are on the record indicate that the inshore fisherman in eastern Canada earns, on average, $1,000 a year. This puts him outside the legislation and makes it of no value to him. As I said, I am at least grateful that the fishermen of British Columbia can take advantage of it, but what assistance, apart from the lobster fishermen or the fishermen of Prince Edward Island, do the fishermen in other parts of eastern Canada receive? What assistance do these 150,000 people in Atlantic Canada who are engaged in the ground fish industry receive?

What legislation does the government of Canada have to enable the 20,000 inshore fishermen in eastern Canada to secure loans to buy equipment? They have to pay the same inflated prices that prevail in British Columbia and Ontario, yet they have no legislation to assist them. Not only do we not have legislation to protect them, but we have a government that looks at them callously, without humanity and without feeling. The attitude of the government to the ground fish industry is, "They are all gold brickers down there; let them eat cake. They are bluffing. Let the industry collapse."

• (9:40 p.m.)

Oh, the Minister of Fisheries will get on national television and say, "There are plants in the Atlantic provinces that are inefficient and they must close down. Only efficient plants can continue to operate." That is like Joseph Stalin saying in the 1930's, "We must wipe out 1 million peasants in order to make the agricultural industry in the Soviet Union more efficient." That is the analogy, Mr. Speaker. When the minister says that only efficient plants may continue to operate he is saying in effect that there is room only for the elite in the Atlantic groundfish industry and, "The rest of you will have to go on relief. The fish are there but you cannot catch them because you are not efficient enough and because we, as a government, cannot cope with conditions in the United States market. We cannot fulfil our obligations to you as other countries do for their fishermen in order to ensure you earn a fair return for your catch and in order that you may be protected against the fluctuations in the international money market."

This legislation is very helpful and useful to the fishermen of British Columbia. They obtained the lion's share of the 780 loans granted since the fund was inaugurated in 1955. On national television the minister said the British Columbia fishermen are by far the best equipped of all the fishermen in Canada, and he used extravagant statistics to support his statement. He said the Newfoundland fishing industry is receiving 40 cents in federal subsidies for every dollar spent on our fisheries, whereas the British Columbia industry is receiving only 5 cents. He failed to mention that included in the figure of 40 cents is unemployment insurance for fishermen, which applies universally. He failed to include subsidies for shipbuilding; he failed to include the centralization program which is causing so much heartache in Newfoundland. He failed to include all those things in his misrepresentation of the facts, because that is the only way one can describe his statement. It was a total misrepresentation of facts.

Mr. Perrault: That is an irresponsible charge.

Mr. McGrath: It is a responsible charge, and the minister knows it. The minister made a statement on national television which he cannot support. Although the ground fish industry of Atlantic Canada today is on the verge of total collapse the minister knows that not one single dollar is going directly to its support. Oh, yes, the minister is well qualified to talk about the fishing industry. He caught trout in British Columbia. He fished for trout.

An hon. Member: Shame.

Mr. Perrault: You are fishing for votes. That's what you are doing.

Mr. McGrath: The hon. member can sit there complacently and interject because the knows how well off the fishing industry of his province is. He has not been to Atlantic

Canada. He has no idea of the dire circumstances facing the fishermen of Atlantic Canada. He represents the fat cats of the fishing industry.

An hon. Member: Make responsible charges.

Mr. McGrath: The Minister of Fisheries is a member of a government that treats the fishing industry of Atlantic Canada callously, without heart and without feeling. Only a minister from British Columbia could say what the present minister said. We had a minister from British Columbia before—

An hon. Member: Shame.

Mr. McGrath: —and the same thing happened. A previous minister from British Columbia displayed a similar attitude.

Some hon. Members: Oh, oh.

The Acting Speaker (Mr. Tolmie): Order, please. The hon. member for St. John's East has the floor.

Mr. McGrath: The attitude of this government is epitomized by the attitude of this minister who, in the midst of the gravest crisis ever to face the fishing industry of Atlantic Canada, says, "Let them eat cake." That is his attitude.

He said on national television that many more fish processing plants will have to close down and that mistakes have been made in the centralization program. Oh, yes, he talked about mistakes in the centralization program as if he were talking about bookkeeping entries. His attitude was, "We moved people to the wrong place."

An hon. Member: That's the computer's fault.

Mr. McGrath: The minister's attitude is, "The computer made the mistake". We just happened to move people to the wrong place. We moved them out of their homes and happened to move them to the wrong place. We made mistakes. What is an individual? What are 100 individuals. What are one or two settlements?" That is his callous attitude and the attitude of a government that could not care less. This is the leadership our Minister of Fisheries gives to the fishing industry of Canada.

An hon. Member: Shame.

[Mr. McGrath.]

Mr. McGrath: That is the sort of leadership we have from the Prime Minister (Mr. Trudeau). As a member of parliament from Newfoundland, I am shocked that the Minister of Fisheries could introduce this legislation affecting the fisheries of Canada without making a single reference to the severe crisis facing the industry in eastern Canada. He did not mention the crisis once. He acted as if it did not exist or as if there were no fisheries. The crisis will not be resolved if the government persists in its do nothing attitude. But there is a ray of hope, Mr. Speaker. There is a glimmer of silver lining on the horizon. Replying to a question this afternoon, the minister said that within a month, meaning presumably before the end of January, he, on behalf of the government, would announce interim and long term planning programs affecting the Atlantic groundfish industry. Before this debate finishes I hope the minister will amplify those remarks, because the entire industry, in a manner of speaking, is holding its breath in anticipation. I hope the minister will say the government is sincere and means what it says.

To paraphrase the minister's reply early this afternoon, he said one of the main objectives of the government's program will be to insure that prices paid to fishermen in 1968 will prevail. The fishermen of Newfoundland would like to have that statement amplified so that they may know precisely what it means. The prices paid to Newfoundland fishermen in 1968 ran the full gamut from 1.5 cents a pound to 4 cents a pound.

• (9:50 p.m.)

The minister well knows that. Are we to conclude the fishermen will be paid the maximum of four cents a pound, not the minimum of one and a half cents a pound? These are questions to which an answer is awaited not by those members on this side of the house who are directly interested or involved in this question but by thousands and thousands of Canadians in the Atlantic provinces of Canada who are barely eking out a subsistence on the neglected ground fishing industry.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, I thank you for the privilege and the opportunity to express my views on Bill No. C-151 called an Act to amend the Fisheries Improvement Loans Act.

The main purposes of this amendment could be summed up as follows:

First, to empower the Minister of Finance (Mr. Benson) to designate certain trust and loan companies as well as insurance companies as authorized lenders; second, to grant the Minister of Finance more responsibilities concerning individual lenders, which means that the government will guarantee in the future more important loans; third, to substitute for the present interest rate of 5 per cent the rate or rates that may be prescribed by the Governor in Council.

It is quite normal and in accordance with the practices of trade and industry for the fishermen or the fishing concerns to have access to the sources of financing in the same capacity as other concerns. Indeed, they need the credit that will enable them to finance their operations in a normal way, to invest in order to extend their trade or to renew obsolete equipment which can no longer be used.

This legislation enables also an individual to start a fishing concern thanks to loans granted by authorized companies.

The present bill is nothing but a change to the act which was sanctioned on July 11, 1955 and amended in 1959, 1962 and 1965.

Many similar acts deal with the farm industry and have the same purposes.

It is a good thing that there should be a greater number of authorized lending companies. We should hope for more competition between lending companies, in order to make sure that more considerable amounts are put at the disposal of fishermen and farmers, but I strongly doubt that this objective will be reached.

On the one hand, we want to accredit a greater number of lending companies thus causing available capital to become scarce since it is almost entirely built up from the savings of the Canadian people. Capital to finance private developments is scarce because the Canadian government, the provinces, the municipalities and the school boards secure the main bulk of the public savings to finance their own commitments.

Recent statistics issued by Wood Gundy Securities Ltd., a brokerage firm, and made available by the Canadian Press to our different information media, show that the various governments control the savings which, after all, are the main source of funds for financing private enterprise.

I quote an excerpt from the January 7 issue of *La Presse* which shows the government hold on public savings.

> Statistics issued by Wood Gundy Securities Ltd., a brokerage agency, about bond financing by governments and private companies, show that the federal government loans amounted to $5,263,955,000 in 1968.

This figure compares with that of $3,283,-909,500 for the year 1967 and it is the highest for the last five years.

> In 1968, the provincial governments borrowed, for their part, $1,384,700,000 as compared to $1,603,-006,000 in 1967.
>
> Loans through bonds floated by the Canadian municipalities in 1968—

The Acting Speaker (Mr. Béchard): Order please. I wonder if I should not interrupt the hon. member, for I am afraid he is getting somehow away from the bill the house is considering at the moment, I mean the act to amend the Fisheries Improvement Loans Act.

Mr. Rodrigue: As I was saying, Mr. Speaker, a solution must be found to this problem. The time has come to make a distinction between public developments, to give fishermen and farmers a greater proportion of investments and savings. Those changes could result in lower interest rates, and if more funds were available, certain private sectors could be financed. Savings constitute a huge financing "pool", but they are not limitless. They do not constitute an inexhaustible well. When governments take over indirectly private sources of capital, there is a danger of increasing interest rates, and that is what happens in the case of this bill, when industry and business have run out of funds.

In itself, this bill is commendable, but the present economic situation is not favorable; it could impede considerably what effects this legislation could have as far as our fishermen are concerned.

It is not by passing an act which will make more capital available to the fishermen that we will solve the problem. Interest rates constitute an even less commendable step. On the contrary, they will contribute even more to increasing the cost of production and operations and, in a few years, we will be called upon to amend the act in an attempt to solve the problem of the fishermen, which is created by a government that tolerates and encourages this shortage of capital and those high interest rates.

[*English*]

Mr. Deputy Speaker: Order, please. It being ten o'clock it is my duty to proceed to the questions to be debated on the adjournment motion.

Proceedings on Adjournment Motion

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, may I just get one of the bright young ministers to confirm that we are going on with this bill tomorrow and the other set legislation? I would even be prepared to take the word of the very honourable government whip on this matter.

Mr. Forest: Mr. Speaker, I am glad to announce the business of the house for tomorrow. We will continue with the bill under discussion today, C-151, and when it is concluded the house will deal with item No. 12 on the order paper, an act to amend the Veterans Land Act. If it is concluded the house will deal with item No. 33, Bill S-14, an act to amend the Aeronautics Act, and if this is concluded we would go on to item 41, an act to amend the Navigable Waters Protection Act.

[*Translation*]

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order No. 40 deemed to have been moved.

FINANCE—LOAN TO BRAZIL

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I directed a question to the Minister of Finance (Mr. Benson) as to the $850,000 interest-free loan made to Brazil but I did not get any answer.

We noticed some time ago, for instance, that the Central Mortgage and Housing Corporation has increased its rates of interest to a level that contributes to the inflation prevailing in this country.

Since the beginning of 1969, we have that, from now on, those who wish to buy a house will have to pay interest at 9⅜ per cent, as this is now the usurious rate adopted by the Central Mortgage and Housing Corporation.

We could call that an act of piracy on the part of those who brought about that situation by depriving, so to speak, certain Canadian families of the right to build a home. At the present time, if a family head does not earn $10,000 per year, he cannot afford getting a new house.

The Minister of Transport (Mr. Hellyer) was appointed to a royal commission on housing and he travelled over 26,000 miles, going from one city to another, in order to find out what was wrong in the housing field. Now if such an expensive inquiry did nothing but contribute to an increase in interest rates, while we lend money without interest to foreigners, I think this is shameless swindling. In the face of such glaring injustice, the Canadian people cannot agree with the government and they are sorry to see a majority government indulging in such high-scale bigotry.

While the government is borrowing money, it is lending Brazil $850,000 for the construction of an airport and no doubt on an interest free basis as we are not given an answer.

As the Minister of Finance has failed to find a solution to this problem, especially when we are asking him to use the Bank of Canada for the benefit of the Canadian people, I say this is an unjustified loan while the Central Mortgage and Housing Corporation is increasing the interest rate to 9⅜ per cent. There is a limit to being patient and we have reached it. If there is no one in Canada in a position to awaken public opinion, our future position will become very difficult.

Besides, on looking back to the French revolution of 1793, when the king of France lost his throne and was beheaded by the guillotine, it so happened that the little people were tired and disgusted because of the indifference of their government. In fact, the government had not heeded the murmurs of discontent that preceded this terrible catastrophe.

It is often said that activity in the building trade is a sign of prosperity. Consequently, if we are in a position to make interest-free loans to Brazil, why instead of increasing the interest rates, could we not grant subsidies of 4 or 5 per cent on the purchase price of a house so that everybody could own his house?

It is felt that, under duress, the Canadian people must continue to pay interest on $5,300,000,000 for 1968 as compared to $3,300,000,000 for the year before.

Is this logical? Is this the price we have to pay for "Trudeaumania" which allowed elections to be held thanks to an electoral fund, which having been financed by out-and-out exploiters still makes it possible today to smother all human life as would an octopus?

Those financiers control the blood of our national economy. We are aware of it every day, since nobody can even breathe without their permission. But to-morrow, Mr. Speaker, the whole population of Canada will rise to clamour for justice, because it is inconceivable that one could live in such a wealthy

country as ours while at the same time remain the slave of an economic system which is exploiting the people hideously, as it is now the case. This shows that in the future we must not fear that huge power which the financiers seem to wish to use to scare Canadians. On the contrary, we want people to be enlightened, since we want to make financially realizeable what is physically possible. If the government wants us to lend money to Brazil, we will have, in order to pursue the development of Canada to lend money also to the Canadian people, without interest, for 25 to 30 years, in order to enable those who would like to own a property, to get it without paying three times its price.

We, of the Ralliement Créditiste, rise against such scandalous exploitation and when loans are made to foreign countries, we cannot admit that the same cannot be done for the Canadian people the municipalities, the school boards, the provinces, in order to find, through the Bank of Canada which is the servant of the Canadian people, the final solution to the economic problem which is an obsession for everyone at the present time.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in my opinion, the Central Mortgage and Housing Corporation has not set the interest rate, but rather a ceiling for interest rates on mortgages which will be guaranteed by the Corporation. The purpose of this is to encourage the private sector to make more funds available for housing mortgages.

The loan to which the hon. member referred was made to Brazil under the agreement signed by Canada with the Interamerican Development Bank. The Canadian external aid program to Latin America was initiated in 1964 with an appropriation to that area of a certain amount of money, charged to the Development Loan Fund which had just been set up. The agreement then concluded with the Interamerican Development Bank contained arrangements whereby contributions to Latin America would be administered through that institution. According to the agreement, loans may be granted interest free, reimbursable after fifty-year periods with provisions for 10-year delays.

This loan will enable Brazil to undertake a technical and economic feasibility study with regard to building an airport for supersonic and giant airplane. A consortium comprising two Canadian firms, Parkin Associates Ltd. and Acres International Limited, in addition to a Brazilian firm, has been awarded the contract for the study.

In my opinion, this assistance helps create work for Canadian firms. These special consultant Canadian firms were granted contracts in spite of tight competition from important firms in other countries. The Canadian group will create a master plan which will consider the possibility of expanding the present airport instead of building a new one and they will determine the most appropriate site for a new airport, etc.

In granting development loans, Canada is endeavouring to establish assistance conditional on the nature of the project being financed and the capacity of the beneficiary to reimburse his debt.

This $847,000 loan has been granted under these conditions which are in agreement with Canadian policy in the matter of external aid programs to the underdeveloped countries and they are normal conditions for projects of this nature.

The Deputy Speaker (Mr. Béchard): The motion to adjourn the house is now deemed to have been adopted. Accordingly, this house stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the house adjourned at 10.10 p.m.

HOUSE OF COMMONS

Wednesday, January 22, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

CANADIAN CITIZENSHIP

CHANGES IN PASSPORTS TO STRENGTHEN SECURITY

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, an extensive study of passport security has been conducted by the Department of External Affairs over recent months in which, I might say, the advice of other departments of government has been received. As a result of these studies, a decision has been reached by the government to introduce a number of changes in Canadian passport requirements. These are summarized in an announcement which I am making today and which I now table for the information of hon. members in both our official languages.

CRIMINAL CODE AMENDMENT

OBLIGATION OF PHYSICIAN TO REPORT TO LEGAL AUTHORITY

Mr. W. B. Nesbitt (Oxford) moved for leave to introduce Bill No. C-159, to amend the Criminal Code (duty of attending physician).

Some hon. Members: Explain.

Mr. Nesbitt: The purpose of this bill is to ensure that in cases where deliberate neglect or abuse is present, the physician called in to treat a child patient will be made aware of his obligation to report the case to the legal authorities, namely the police, as one way of putting an end to mistreatment of children, which seems to have become endemic in our society.

Motion agreed to, bill read the first time, and ordered to be printed.

PROVISION AFFECTING IMPAIRED DRIVERS WHO TAKE PROPER PRECAUTIONS

Mr. W. B. Nesbitt (Oxford) moved for leave to introduce Bill No. C-160, to amend the Criminal Code (control of motor vehicle).

Some hon. Members: Explain.

Mr. Nesbitt: Your Honour, the purpose of this bill is to amend the Criminal Code so as not to penalize drivers who realizing that they are intoxicated or that their ability to drive is impaired, are wise enough not to drive and to stop their car immediately and refrain from continuing their journey in their present state. I might add in this regard that since the United Kingdom changed their Criminal Code in this regard, I would hope the Minister of Justice might consider sending both these bills to the Committee on Justice and Legal Affairs.

Motion agreed to, bill read the first time and ordered to be printed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

P.E.I.—FEDERAL CONTRIBUTION TO IMPROVEMENT CORPORATION

Question No. 535—**Mr. Macquarrie:**

1. Has the government contributed financially to the Economic Improvement Corporation of Prince Edward Island and, if so, what is the amount of such contribution since the establishment of the Corporation?

2. When is it intended to conclude an agreement with the Government of Prince Edward Island on an economic improvement program for the province?

3. Will such a program be based wholly or in part on the recommendations of the Economic Improvement Corporation of Prince Edward Island?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the department of Forestry and Rural Development as follows: 1. Yes. $331,-164.82.

2. Discussions aimed at an early agreement are presently taking place.

3. The program would be based in part on the recommendations of the Economic Improvement Corporation.

Questions

ST. LAWRENCE RIVER—POLLUTION BY AQUATIC WEEDS

Question No. 595—**Mr. Rock:**

1. Do floating aquatic weeds in the International Section of the St. Lawrence River, Lake St. Francis and Lake St. Louis contribute to the pollution of these waters?

2. Were there floating aquatic weeds present in those areas during the duration of the Seaway strike from June 21st to July 14th and, if not, what would account for their absence?

3. Were there dense mats of floating aquatic weeds in these waters immediately after the strike was over and are there any at present and for what reasons?

4. Do floating aquatic weeds deplete oxygen and contribute to pollution when they deposit on bottom of lakes or in bays and decompose?

5. Does the accumulation of floating aquatic weeds cause growth of weeds in areas where there was no previous growth?

6. Have floating aquatic weeds when decomposing contributed to the spread of algae in those waters?

7. Do floating aquatic weeds form high coliform densities close to the shores of Lake St. Louis, Lake St. Francis and of the International Section of the St. Lawrence River?

8. Has any federal department or agency made any water test or pollution counts in these waters and, if so, what were the results from 1957 until present?

9. Has the International Joint Commission or any federal department or agency, investigated the question of whether floating aquatic weeds that are appearing in the waters of the St. Lawrence Seaway are caused by the turbulence provoked by the propellers of large ships while travelling through certain channels in the St. Lawrence Seaway?

10. Has the International Joint Commission or any federal department or agency, ever investigated the question of whether floating aquatic weeds contribute heavily to the pollution of these waters and induce algae growth?

11. Are Canadian federal agencies collecting water quality data in the waters under the jurisdiction of the St. Lawrence Seaway and, if so, what are the results?

[*Translation*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The growth of aquatic weeds results from increased fertility of surface waters and therefore can be considered to result from pollution. The weeds themselves can be regarded as pollutants since their decomposition imposes an oxygen demand on the water and nutrients are released in the course of their decay.

2. The river was surveyed before and during the strike and the usual growth of aquatic weeds was observed for that period of the year on 31 ranges from Kingston to Cornwall.

3. This condition has not been observed during water quality studies of the international section.

[Mr. Forest.]

4. Yes.

5. This is not likely, suitable bottom substrate is probably required to support growth of aquatic weeds.

6. This phenomenon was not observed by the Department of National Health and Welfare in their surveys on behalf of the I.J.C., but the possibility of such an occurrence is real.

7. This phenomenon has not been observed, but the release of nutrients through plant decomposition may well stimulate bacterial reproduction. Pathogenic organisms are unlikely to reproduce because temperatures encountered in the river are generally lower than those ideal for the reproduction of pathogens.

8. The Department of Energy, Mines and Resources monitors water quality immediately downstream from the Robert H. Saunders generating station at Cornwall. Samples are collected bi-monthly for analysis of physical and inorganic chemical components. Data compiled since October 1967 indicates moderate fertility which is considered to be attributable in part to the innundation of arable land by the formation of the Lake St. Lawrence impoundment.

The Department of National Health & Welfare has been surveying the water quality of the international section of the St. Lawrence River since 1965, under an investigation by the I.J.C. Interim reports of the Commission to the Canadian and U.S.A. Governments have indicated the water quality of the St. Lawrence River to be generally good, with local pollution occurring near waste discharges. A comprehensive report on Lakes Erie, Ontario and the international section of the St. Lawrence is in the course of preparation for the International Joint Commission by its Water Pollution Advisory Boards. Following receipt of this Report, the Commission will conduct public hearings and formulate its report and recommendations to the two Governments.

9. No.

10. No formal study has been initiated, although experience indicates that these weeds probably do contribute to pollution and induce growth of algae. Water quality is only affected significantly near points of discharge of inadequately treated wastes. The problem of excessive quantities of aquatic weeds, which are indeed a nuisance and interfere with water use, is a result of natural and cultural enrichment of these waters, i.e.

the addition of such substances as nitrogen and phosphorus, through natural drainage, precipitation and directly from waste discharges. This matter will be treated extensively in the report to be submitted to the I.J.C.

11. No collections by Canadian federal agencies are made in the locks and canals of the seaway.

[*English*]

CONSTRUCTION OF SMALL BOAT FACILITIES

Question No. 765—**Mr. St. Pierre:**

1. In the period 1957-58 to 1966-67 inclusive, how many wharves, docks and similar small boat facilities, costing not less than $5,000 or more than $250,000, were constructed for fishing vessels and pleasure craft in the following areas: the Atlantic Provinces, Quebec, Ontario and British Columbia?

2. What was the total departmental cost of such works in each of the four areas?

3. To what extent did provincial governments or other bodies participate in the capital cost of such works in each of the four areas?

4. Are charges levied for (a) fishing vessels (b) pleasure craft in each area and what are current fees?

5. Is there an estimate available for the number of fishing vessels and pleasure craft in each of the four areas and, if so, what are the estimates?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Public Works and Transport as follows:

	ATLANTIC	QUEBEC	ONTARIO	BRITISH COLUMBIA
1.	434	160	160	79
2.	$21,150,442	$4,865,000	$3,713,200	$3,786,300
3.	$166,837	Nil	$25,447	Nil

4. Charges are levied for fishing vessels and pleasure craft in each area pursuant to Schedule of the Government Wharves Regulations made by Order in Council P.C. 1964-104 of 23rd January, 1964, as amended. The current fees, which are the same in all areas, are as follows:

(A) Fishing Vessels: (i) moored at any float at a harbour: (a) per day or portion thereof, per foot of length, 2¢; (b) per month, per foot of length, 40¢; (ii) moored elsewhere than at floats and not engaged in loading, unloading, or other commercial activity, per 24 hours or portion thereof: (a) on Sundays and statutory holidays per foot of length, 1¢; (b) on other days, per foot of length, 2¢; (iii) minimum side wharfage, 50¢. The Regulations provide for the exemption of payment of side wharfage in respect of any fishing vessel tying up to a wharf solely for loading supplies, including fish bait, or for unloading the vessel's catch of fish.

(B) Pleasure Craft: Pleasure craft are charged the same rates as fishing vessels, but no exemptions are granted.

	Atlantic	Quebec	Ontario	British Columbia
5. Fishing Vessels	22,071	2,509	1,626	7,746
Pleasure Craft:	85,000	193,500	761,000	285,000

WHEAT BOARD JURISDICTION OVER RYE, FLAX AND RAPESEED

Question No. 784—**Mr. Southam:**

Is the government giving consideration to having Rye, Flax and Rapeseed placed under the jurisdiction of the Wheat Board and, if so, when will this action be taken?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The question of placing rye, flaxseed and rapeseed under the jurisdiction of the Canadian Wheat Board continues to receive consideration.

DANIEL MacISAAC—POSITION AND SALARY

Question No. 792—**Mr. MacInnis (Cape Breton-East Richmond):**

1. Is Daniel MacIsaac on the staff of the Minister of Manpower and Immigration?

2. If so (a) what is his position (b) what is his salary (c) how long has he been in his present position?

3. What is the nature of his duties?

4. What are his qualifications and to whom does he report?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Yes. (exempt staff).

2. (a) CR 4; (b) $5,727; (c) Since July 6, 1968.

3. To assist in general office work; including correspondence, enquiries, and to travel with the Minister.

Questions

4. (a) Secondary school and university training; (b) Directly to the Minister.

SASKATOON-HUMBOLDT—OFFICE FOR MEMBER

Question No. 803—**Mr. Diefenbaker:**

1. Has an office been opened or is one being opened in Saskatoon for the Honourable member for Saskatoon-Humboldt, the Minister without Portfolio?

2. If so, and if payment is being made by the Government of Canada, what is the estimated cost of operating the said office for (a) personnel (b) rental (c) other expenses?

Mr. Yves Forest Parliamentary Secretary to President of the Privy Council): 1. Yes.

2. (a) $2,691 (salary for one part-time clerk); (b) No rental payment being made as the office is located in a Crown owned building; (c) To date, the cost is $2,093.20 which is as follows: Minister's furniture, $1,223.00; Secretary's furniture, $371.00; Electric typewriter, $499.20.

AID TO MUNICIPALITIES TO OFFSET EDUCATION COSTS

Question No. 940—**Mr. Robinson:**

Is the federal government contemplating any direct financial aid to municipalities to offset (a) the cost of education in the field of primary and secondary schools (b) the capital cost of educational (i) buildings (ii) facilities (iii) equipment?

Hon. Gérard Pelletier (Secretary of State): No.

FEDERAL CONTRIBUTION TO QUEBEC SOCIAL ALLOWANCE FUND

Question No. 954—**Mr. Caouette:**

1. Does the government contribute to the social allowance fund of the Province of Quebec and, if so, what is the amount of its annual contribution?

2. What was the government's contribution to the fund (a) during the past fiscal year, and (b) during the past five years?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1. Yes. See accompanying attached table.

2. See accompanying attached table.

Federal Contributions to Quebec

Year	Program	Total $
1967–68	Old Age Assistance	8,401,864
	Blind Persons Allowances	1,631,232
	Disabled Persons Allowances	8,292,666
1966–67	Old Age Assistance	12,291,269
	Blind Persons Allowances	1,714,789
	Disabled Persons Allowances	8,535,524
1965–66	Old Age Assistance	15,941,412
	Blind Persons Allowances	1,840,978
	Disabled Persons Allowances	8,821,586
1964–65	Old Age Assistance	16,589,045
	Blind Persons Allowances	1,892,813
	Disabled Persons Allowances	9,090,736
1963–64	Old Age Assistance	13,860,075
	Blind Persons Allowances	1,642,869
	Disabled Persons Allowances	8,081,258
1962–63	Old Age Assistance	13,793,745
	Blind Persons Allowances	1,662,937
	Disabled Persons Allowances	8,577,890

Federal Share of Payments made to Quebec under the Unemployment Assistance Act During the Fiscal Year 1967-68 and the Previous Five Fiscal Years

Year	Amount $
1967–68	Nil *
1966–67	33,286,898**
1965–66	24,573,655***
1964–65	41,015,897
1963–64	39,439,412
1962–63	33,579,397

*Payments made under the Established Programs (Interim Arrangements) Act through the Department of Finance.

**Payments reduced by $26,562,595 due to tax abatement under the Established Programs (Interim Arrangements) Act.

***Payments reduced by $20,149,002 due to tax abatement under the Established Programs (Interim Arrangements) Act.

[*English*]

MICROWAVE RELAY TELECOMMUNICATIONS

Question No. 988—**Mr. Schreyer:**

1. What is the present capacity of our existing terrestrial microwave relay telecommunications system?

2. Does the government have any forecast regarding the capacity utilization of our present terrestrial

microwave relay telecommunications system for the next 5, 10, 15, 20 years?

3. Is the proposed satellite system less expensive or more than the present microwave setup and over what distances?

Hon. Eric W. Kierans (Postmaster General): In so far as communications is concerned: 1. There are currently two main terrestrial national microwave radio relay telecommunication systems in operation: the Trans-Canada Telephone System; and the CN/CP Telecommunication System.

The capacity varies; however, there is a working minimum of five, two-way broadband radio frequency (TV equivalent) channels in use today throughout the major portion of these coast-to-coast systems, including their many spurs.

The above systems are located south of the 55th parallel. In addition, CN/CP have placed in operation a broadband microwave route from Alberta through Northern British Columbia and the Yukon to Alaska. This system has one two-way working channel (300 circuits) at present.

2. Forecasts of additional utilization for the microwave systems for several years into the future are very difficult to make because other technological forms of communication may become more attractive and because the total demand for service is difficult to predict. Using present growth rates the total utilization of all systems might double every five years, but it does not necessarily follow that this growth rate would continue in future.

The additional potential capacity of these national microwave systems if and when augmented, coast to coast, could be up to 23 two-way broadband channels, of which 11 would extend for approximately 2/3 of the route length.

Each of these channels would have a capacity in both directions of one television signal or a varying quantity of 600-1200 voice-data circuits per channel. The CN/CP Alberta-Yukon system could be augmented to carry 4 additional channels.

3. A direct comparison of costs of a satellite system and a terrestrial microwave relay system is very difficult to make because the two systems are not directly comparable. In general, the cost of a terrestrial microwave system is proportional to distance, whereas satellite system costs are independent of the distance between earth stations.

AIR CANADA AIRCRAFT

Question No. 1,006—**Mr. Paproski:**

1. (a) What is the current number of aircraft owned by Air Canada, by type (b) of this total, how many are in operation on scheduled services, by type (c) are any of the aircraft currently owned by Air Canada not in operation and, if so, for what reason?

2. Have any sales of aircraft been completed by Air Canada to date in 1968 and, if so, what aircraft have been sold, to whom and at what price?

3. Of the aircraft owned by Air Canada, how many have been offered for sale, by type?

4. (a) What aircraft does Air Canada have on order, by type, and what are the expected delivery dates for these aircraft (b) of the aircraft Air Canada presently has on order, what parts of each type are being manufactured in Canada (c) what is the value of the orders, by type of aircraft and by manufacturer, referred to in Part (b)?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Transport and Industry, Trade and Commerce as follows: The management of Air Canada advises as follows: 1. (a) 39 Viscounts; 23 Vanguards; 29 DC-9s; 28 DC-8s. (b) 33 Viscounts; 18 Vanguards; 29 DC-9s; 28 DC-8s. (c) 6 Viscounts and 5 Vanguards are retired.

2. During 1968 6 DC-9-14 aircraft were sold back to McDonnell Douglas Company, at a price arrived at during confidential negotiations for replacement aircraft.

3. Six Viscounts and five Vanguards.

4. (a) 9 DC-9s, 1 in late 1968, 5 in 1969, 3 in 1970, 13 DC-8s, 6 in 1969 and 7 in 1970, 3 747s in 1971. (b) It is anticipated that structural components, electronic equipment and auxiliary power units for L-1011 aircraft will be manufactured in Canada. (c) Since contracts are at present under negotiation, it is not possible to define the value of the orders resulting from the L-1011 program. However, it is anticipated that the following Canadian manufacturers will be major participants: Northwest Industries Limited, United Aircraft of Canada Limited, Fleet Manufacturing Limited, Bristol Aerospace Limited, Canadair Limited, Canadian Aviation Electronics.

*NATIONAL PARKS—POINTE FORILLON, GASPÉ

Question No. 1,020—**Mr. Cyr:**

Does the Department of Indian Affairs and Northern Development plan to create a national

park at Pointe Forillon, Gaspé and if so (a) what will be the federal government's contribution to the project and has an estimate already been announced (b) does the project require a special agreement with the Province of Quebec (c) will the work begin in 1969 (d) is there any delay in carrying out this project and, if so, does the responsibility rest with the government?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, the Department of Indian Affairs and Northern Development plans to establish a National Park on Forillon Peninsula near Gaspé, as provided for in the Federal-Provincial agreement for the Development of the Lower St. Lawrence, Gaspé and Iles-de-la-Madeleine signed by the two governments at Rimouski last May. (a) In an appendix to the Federal-Provincial agreement, the projected federal expenditure for the development of the proposed National Park is given as $8,300,000. (b) Yes, as the Province must provide the land required free of all encumbrances in keeping with general policy in this regard. (c) Planning studies are envisaged for 1969. (d) Yes, the federal government is quite anxious to proceed but the final arrangements are not completed.

WHEAT—COST OF GUARANTEED FLOOR PRICE

Question No. 1,024—**Mr. Douglas:**

What was the cost to the Government of Canada of the implementation of the guaranteed floor price for wheat which was in effect between August 1, 1967 and July 1, 1968?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): A total amount of $3,435,811.

HUTTERITE COLONIES

Question No. 1,025—**Mr. Thomson (Battleford-Kindersley):**

1. How many Hutterite colonies are there in Alberta and Saskatchewan?

2. How many of (a) these colonies, or (b) individuals in these colonies, pay income tax?

3. How many of these colonies receive (a) Family Allowances (b) Old Age Pensions?

4. How many individuals in these colonies receive (a) Family Allowances or (b) Old Age Pensions?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Dominion Bureau of Statistics, the Departments of National Revenue and National Health and Welfare as follows: 1. According to the 1961 Census of Canada, there were 11 Hutterite colonies (771 individuals) in Saskatchewan and 61 Hutterite colonies (5,370 individuals) in Alberta.

2. Hutterite Colonies, whether incorporated or unincorporated, are not taxable entities as they do not receive income on their own account. However, each member of a Colony must include in his income, for purposes of the Income Tax Act, his share of the profit attributable to the farming or other business activities carried on by the Colony of which he is a member. A statement on this subject was tabled in the House on November 6, 1968, but was incorrectly referred to on page 2469 of *Hansard* for that day as a statement on Disciples of Luther.

3. and 4. This information is not available.

ARCHITECTS SERVING NATIONAL CAPITAL COMMISSION

Question No. 1,039—**Mr. Lambert (Edmonton West):**

1. In respect to the reply to Question Number 525, what are the reasons for limiting the membership of the Advisory Committee on Design to the National Capital Commission to architects located in Ottawa-Hull, Montreal and Toronto in view of the legitimate national interest in the national capital?

2. Why were architects from other major Canadian centres excluded?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. Membership on the National Capital Commission Advisory Committee on Design is neither (1) assigned nor (2) restricted according to location of residence in Canada.

MEMBERSHIP IN PAN AMERICAN HEALTH ORGANIZATION

Question No. 1,040—**Mr. Orlikow:**

Is consideration being given to the possibility of Canadian membership in the Pan American Health Organization, with or without membership in the Organization of American States and, if so, what steps have been taken to accomplish this purpose?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The possibility of Canadian membership in the Pan American Health Organization, which is both a specialized organization of the O.A.S. and the regional office for the Americas of the World Health Organization, has been under study in the Departments of External Affairs and National

Health and Welfare for some time. This proposal is currently being reviewed as part of the government's general review of Canada's policy in Latin America and in the light of budgetary and other considerations. As indicated in the question, this proposal is distinct from the question of Canadian membership in the O.A.S.; membership in PAHO is open to Canada regardless of membership in O.A.S.

Questions

CROWN CORPORATION EMPLOYEES

Question No. 1,058—**Mr. Beaudoin:**

To March 31, 1960, 1961, 1962, 1963, 1964, 1965, 1966 and 1967, how many people were employed by Crown Corporations?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce):

Number of People Employed by Crown Corporations
March 31, 1960-67

Year	Agency Corporations	Proprietary Corporations	Other Agencies	Total
1960	9,455	129,355	1,916	140,726
1961	9,300	123,309	2,000	134,609
1962	8,975	121,583	2,064	132,622
1963	8,579	119,057	2,183	129,819
1964	8,231	119,919	2,610	130,760
1965	8,368	122,496	2,833	133,697
1966	8,632	124,328	3,277	136,237
1967	8,934	129,440	5,918	144,292

Source: Federal Government Employment—April issues, (DBS Catalogue No. 72-004)

[*English*]

RICHMOND, QUE.—NEWSPAPER PUBLICATION

Question No. 1,067—**Mr. Beaudoin:**

1. Are there any newspapers, daily, weekly or periodical, which are subsidized by the federal government and printed in the Constituency of Richmond and, if so (a) what newspapers specifying whether they are dailies, weeklies or periodicals (b) what is the amount of the grant or subsidy paid by the government to each newspaper and what is the annual circulation of the paper (c) what are the names, telephone numbers and addresses of all directors of such periodicals, weeklies or dailies?

2. On what basis does the government subsidize newspapers, daily, weekly or periodical?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. No.

2. Traditionally, Parliament has sanctioned special rates of postage for newspapers and periodicals to encourage the development and growth of the Canadian publishing industry. These postage rates, to the extent that they do not cover the costs of postal handling and distribution, represent a subvention provided these publications.

RICHMOND, QUE.—WAR VETERANS

Question No. 1,072—**Mr. Beaudoin:**

1. How many Canadian veterans of the First or Second World Wars, residing in the federal Constituency of Richmond, are between the ages of 65 and 70?

2. How many of the veterans' widows, residing in the federal Constituency of Richmond, are between the ages of 65 and 70?

3. How many veterans reside in the federal Constituency of Richmond?

4. How many war amputees reside in the federal Constituency of Richmond?

5. What criteria does the Department of Veterans' Affairs apply in paying pensions to war amputees?

6. What is the total sum of pensions paid in the federal Constituency of Richmond, how many veterans are resident in Quebec, and what is the total sum of pensions paid to the latter?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1, 2, 3 and 4. Statistics of the number of veterans, disabled veterans and veterans' widows are not maintained by federal constituencies.

5. The Department of Veterans Affairs does not itself pay pensions. The criterion applied by the Canadian Pension Commission with

respect to pensions payable under the Pension Act is that, if an amputation was incurred during or attributable to wartime service, pension is paid under that act.

6. Statistics are not maintained of the total sum of pensions paid in federal constituencies. It is estimated that on March 31, 1968 there were 138,000 veterans resident in the Province of Quebec. The annual liability for disability pensions payable to veterans resident in Quebec on March 31, 1968 is estimated at $24,808,500.

*ZAMBIA—ESTABLISHMENT OF MISSION

Question No. 1,084—**Mr. Fairweather:**

At what approximate date does Canada intend to establish a mission in Zambia?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No date has been set for the opening of a Canadian mission in Zambia, Mr. Speaker. The current commitments for the extension of Canadian representation abroad, particularly in Francophone countries, have strained the personnel and financial resources of the Department of External Affairs. Nonetheless, the opening of a resident mission in Zambia retains a high priority.

RICHMOND, QUE.—ADULT RETRAINING STUDIES

Question No. 1,103—**Mr. Beaudoin:**

1. In connection with the administration of adult retraining studies, what is the name of each director of courses for each municipality in the Constituency of Richmond?

2. How many adults are undergoing these retraining studies, what were their ages and occupations before entering the course?

[*Translation*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. The hiring of teaching personnel is the responsibility of the Quebec Department of Education, and the Department of Manpower and Immigration has no information in that connection.

2. (a) As at December 20, 1968, the number of adults registered for these retraining courses was 277. (b) Age: 5 aged 17 years; 16 aged 18 years; 10 aged 19 years; 10 aged 20 years; 17 aged 21 years; 7 aged 22 years; 3 aged 23 years; 9 aged 24 years; 7 aged 25 years; 8 aged 26 years; 6 aged 27 years; 8 aged 28 years; 8 aged 29 years; 5 aged 30 years; 6 aged 31 years; 9 aged 32 years; 11 aged 33 years; 11 aged 34 years; 6 aged 35 years; 9 aged 36 years; 9 aged 37 years; 7 aged 38 years; 4 aged 39 years; 8 aged 40 years; 10 aged 41 years; 10 aged 42 years; 6 aged 43 years; 6 aged 44 years; 4 aged 45 years; 5 aged 46 years; 8 aged 47 years; 7 aged 48 years; 5 aged 49 years; 3 aged 50 years; 4 aged 51 years; 2 aged 52 years; 3 aged 53 years; 2 aged 54 years; 1 aged 55 years; 2 aged 57 years—Total 277.

(c) Occupation at time of registration: nursing aide, 2; helper, mechanic, 2; apprentice, electrician, 3; apprentice auto body repairman, 1; apprentice mechanical draftsman, 1; apprentice, machinist, 1; apprentice, carpenter, 2; apprentice, plasterer, 1; apprentice plumber, 2; surveyor, 1; lumberjack, 1; truckdriver, 6; pedlar, 1; janitor, 1; custom sewing (ladies) 1; clerk, office—general, 4; clerk, sales, 3; clerk, parts (auto), 1; dressmaker, 1; farmer, 145; cook, short order, 6; household worker, 8; cabinetmaker, 1; forestry operations, 1; tinsmith, 1; spinner (textiles), 4; farm manager, 1; instrument man, 1; day labourer, machine shop, 1; day labourer, footwear, 2; day labourer, construction, 28; day labourer, pulp and paper, 15; day labourer, plastics, 1; day labourer, general, 1; day labourer, roadworks, 1; operator, sewing machine, 3; operator, bulldozer, 2; operator (beater), pulp and paper, 1; operator, power saw, 1; painter, 1; attendant, service station, 2; attendant, cloakroom, 1; receptionist, 1; serviceman, electrical appliances, 1; waitress, 4; welder, 4; bookkeeper, 2; salesman, general, 1; glazier, 1—Total 277.

[*English*]

UPPER MUSQUODOBOIT, N.S., POST OFFICE

Question No. 1,113—**Mr. MacEwan:**

1. What were the names of the various tenderers and the amounts of the various tenders for the construction of a Standard Revenue Post Office at Upper Musquodoboit, Halifax County, Nova Scotia?

2. When will a contract be awarded, and to whom?

Hon. Arthur Laing (Minister of Public Works): 1. Curtis and Gordon Swinamer, $27,500.00; Merle MacEachern, $28,886.00; Whalley Construction Limited, $32,500.00; Stanley Reid Construction Limited, $43,774.50.

2. Contract has been awarded to Curtis and Gordon Swinamer.

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM

Question No. 1,129—**Mr. Broadbent:**

1. For each fiscal year, what have been the number of projects and the annual expenditures of the Industrial Research Assistance Program of the National Research Council since the establishment of the program in 1962?

2. For each fiscal year, what have been the annual expenditures of this program shared by the federal government and Canadian industry?

Hon. C. M. Drury (President of the Treasury Board):

NATIONAL RESEARCH COUNCIL
OF CANADA

INDUSTRIAL RESEARCH ASSISTANCE
PROGRAM

Summary of Expenditures ($000's)

Fiscal Year	No. of Projects Min.	Max.	Total Grants Approved	Expended	Total Contribution Reported by Industry
1962-63	0	65	843.9	537.3	918.8
1963-64	60	84	2,093.1	1,603.6	2,503.8
1964-65	79	110	3,010.0	2,171.3	2,975.8
1965-66	105	140	4,088.0	3,306.3	4,564.6
1966-67	122	151	5,293.6	4,199.0	6,262.7
1967-68	122	159	6,361.6	5,086.9	6,828.2
1968-69 (to 21 Nov. 1968)	138	177	7,212.1	6,100.0 (Est.)	9,264.3 (Est.)
TOTAL		262	28,902.3	23,004.4 (41%)	33,318.2 (59%)

1. Eight additional projects have been approved as of 21 November 1968 but were deferred for lack of funds.

2. Projects may be approved and start at any time during the fiscal year. Generally, they terminate at the end of a fiscal year. Hence, the minimum and maximum number of projects in effect have been given for each year.

3. Companies are not always able to spend the full grant due to recruiting difficulties or construction delays.

4. Industry's contribution covers only the reported funding during the period of IRAP support. This does not include funding to complete the research project if it must extend beyond five years, or to develop products from the research results.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CROWN CORPORATIONS—LANGUAGE PROFICIENCY

Question No. 812—**Mr. Caouette:**

1. In each of the proprietary Crown corporations, who is presently in charge of collecting information on language proficiency of the staff and what position does each hold at the present time.

2. Who is responsible for recruiting staff in each of these corporations?

3. Is he (a) bilingual (b) French-speaking only (c) English-speaking only?

Return tabled.

HOSPITAL GRANTS, TORONTO

Question No. 968—**Mr. Robinson:**

1. Has the federal government made any grants to hospitals in the Metropolitan Toronto area in

the past five years and, if so, how much and to which institutions was it paid?

2. Does the federal government have any commitment to provide grants for hospitals in the Metropolitan area and, if so, how much and to which institutions are they to be paid?

Return tabled.

GRANTS FOR ADVANCEMENT OF INDUSTRIAL TECHNOLOGY

Question No. 1,126—**Mr. Broadbent:**

1. What are the terms and conditions for grants provided under the Department of Industry's Program for the Advancement of Industrial Technology?

2. For each fiscal year since the program's inception, what have been the annual number of projects and expenditures of this program, shared by the federal government and Canadian industry?

3. What is the total federal government expenditure commitment to this program in the current fiscal year?

4. Are changes presently contemplated in this program regarding either cost-sharing and repayment provisions or rate of interest provisions?

Return tabled.

MOTION TO ADJOURN UNDER S.O. 26

• (2:10 p.m.)

GRAIN

ALLEGED PARALYSIS OF WHEAT MOVEMENT THROUGH VANCOUVER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. S. J. Korchinski (Mackenzie): I ask leave, seconded by the hon. member for Dauphin, in accordance with the terms of revised Standing Order 26, to move the adjournment of the house for the purpose of discussing a specific and important matter requiring urgent consideration, namely the virtual bottleneck and paralysis of wheat movement in Vancouver Harbour, due to the failure of the government to work with the railways in scheduling box cars, leading to a situation which has already resulted in the loss of a 17,000 ton contract and which may result in the loss of others; which has caused damage and economic loss, since some ships have been tied up for as long as a month, paying demurrage charges as high as $2,500 a day; which has brought about stagnation in the movement of wheat at a critical time for western farmers; and in connection with which the government, yesterday, in the person of the minister, refused to take action.

[Mr. Robinson.]

Mr. Speaker: The hon. member for Mackenzie has given notice as required by Standing Order 26 of his intention to move the adjournment of the house to discuss the matter raised in his proposed motion.

An hon. members know, the provisions of Standing Order 26 have been radically altered in the new rules of procedure of the House of Commons. Under the terms of paragraph (5) of Standing Order 26, in determining whether a matter should be given urgent consideration, the Chair takes into account the extent to which the proposition concerns the administrative responsibilities of the government or would come within the scope of ministerial action, and also the probability of the matter being brought before the house within a reasonable time by other means. Additionally, the Chair must have regard to other considerations, many of which have been established as the practice of the house in previous years, before the enactment of the present Standing Orders.

The question raised by the hon. member, it seems to me, does concern the administrative responsibilities of the government.

As far as the opportunity for the question being raised before the house within a reasonable time by other means is concerned, the Chair must have in mind the fact that in the present state of its business the house is not likely to have available certain opportunities which on previous occasions would have provided a vehicle for a debate on this question. As an example, there is no current debate in respect to the Speech from the Throne. We learned from the Minister of Finance yesterday that there is some uncertainty whether or not there will be a budget debate within the near future, and the estimates are not likely to be tabled until some time in February.

There is another matter which I think may be of some importance, and that has to do with the alteration in circumstances surrounding emergency debates before the enactment of the current Standing Order 26. Before the present order was brought into force, in considering motions to adjourn under Standing Order 26 the Chair always had to weigh the importance of the proposed motion against the necessity of setting aside government business for the day and it was much more difficult to justify the granting of a motion under Standing Order 26 when that would have the result of delaying current important public business. To a considerable extent the revised Standing Order 26 reduces the relative significance of this factor.

In deciding whether or not to allow the motion the Chair must, of course, take into account the actual problem sought to be discussed. Is it of national importance and is it urgent?

In my opinion the new circumstances indicated by the questions asked in the house yesterday, by the concern expressed by the minister himself when replying to these questions, and by the hon. member's statement, indicate that a strong case can be made in favour of the proposed motion, on the ground of urgency of debate.

Therefore I am inclined to put the question to the house in accordance with the standing order for the reasons stated, that the matter is important, that there is urgency of debate, that the opportunity for debate within a reasonable time is restricted, and that public business is not impeded.

The question before the house is the following one. Has the hon. member leave to move the motion for the purpose of discussing the matter stated by him?

Some hon. Members: Agreed.

Mr. Speaker: Discussion of the proposed motion shall therefore stand over until eight o'clock this evening, pursuant to section 9 of Standing Order 26.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, on a point of order, as I understood your ruling you set the motion over until eight o'clock this evening. As I understand it, we do not sit on Wednesday evenings.

Mr. Speaker: If the hon. member will read the Standing Orders he will notice that this is a provision of Standing Order 26. When a motion of this sort is moved on a Wednesday we sit at eight o'clock.

MOTIONS FOR PAPERS

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you kindly call notices of motions Nos. 35, 36, 40 and 53?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

NOISE LEVELS, TORONTO AIRPORT EXPANSION

Motion No. 35—**Mr. Diefenbaker:**

That an Order of the House do issue for copies of any maps and diagrams in the possession of the Department of Transport which show what changes will result in noise levels in the surrounding inhabited areas should plans for the expansion of Toronto International Airport be carried out.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this motion is acceptable to the government. I think it should be pointed out, however, that the sketch desired by the right hon. gentleman refers to the major expansion proposed for Toronto International Airport in the Parkin report, and in that respect is no longer relevant. But as I say, the motion is acceptable.

Mr. Speaker: Subject to the reservations and conditions expressed by the minister, is it the pleasure of the house that motion No. 35 be deemed to be adopted?

Some hon. Members: Agreed.

Motion agreed to.

CORRESPONDENCE WITH KAISER CORPORATION

Motion No. 36—**Mrs. MacInnis (Vancouver-Kingsway):**

That an Order of the House do issue for a copy of all letters, communications, reports, memoranda or other data in respect of an agreement between the Government of Canada or the National Harbours Board, or any other agency or department of government, on the one hand, and the Kaiser Corporation on the other.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have spoken to the hon. lady concerning this motion and she has agreed to limit it to include the agreement between the National Harbours Board and the Kaiser Corporation concerning the use of the port of Roberts Bank only. On this basis the motion is acceptable to the government.

Mr. Speaker: Subject to the reservations and conditions expressed by the minister, is it the pleasure of the house that motion No. 36 be deemed to be adopted?

Some hon. Members: Agreed.

Motion agreed to.

"LOCAL GOVERNMENT ON INDIAN RESERVES"

Motion No. 40—**Mr. Howard (Skeena):**

That an order of the house do issue for a copy of a document entitled "Local Government on Indian Reserves" prepared by the policy and planning directorate of the Indian affairs branch, dated August 4, 1967?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr.

Speaker, the Policy and Planning Directorate of the Indian Affairs Branch drafted, on August 4, 1967, a document on the local administration of Indian reserves entitled "Local Government on Indian Reserves". This document marked "Confidential for discussion purposes" contains interim views and comments on local administration and on organization mechanisms to ensure the carrying out at headquarters of duties pertaining to local governments. This document was intended for field officials and I do not think that we could table it in the house since it is a departmental document prepared for internal administrative purposes.

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, the document in question was distributed by an official of the department to someone other than an official and therefore has been given some public distribution. Because the document may be classified as a confidential document of the department I take it the minister is asking me to withdraw the motion.

Mr. Chrétien: Because of prevailing circumstances I should appreciate the hon. member's withdrawing his motion.

Mr. Howard (Skeena): I wonder if with the unanimous agreement of the house I might have leave to have the document in question tabled, and then withdraw the motion.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. The hon. member is suggesting an irregular procedure. Perhaps the motion might be allowed to stand and the matter might be reviewed by the hon. member and the minister in the meantime. Is that agreed?

Some hon. Members: Agreed.

Motion stands.

SASKATCHEWAN—DETERRENT FEES BY CANCER PATIENTS

Motion No. 53—**Mr. Burton:**

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 and correspondence exchanged between the Government of Canada and the Government of Saskatchewan with respect to the application of deterrent fees on cancer patients under the hospital insurance plan.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I have talked to the hon. member about this matter. We do not have any correspondence or documents relating to that aspect of the problem with which his motion deals and he is aware of that now. In the circumstances I wonder whether he might consent to withdrawing the motion.

Mr. John Burton (Regina East): On the basis of the minister's remarks, Mr. Speaker, I ask for leave to withdraw the motion.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

NORTHUMBERLAND STRAIT CROSSING—ENGINEERING FEASIBILITY

Mr. David MacDonald (Egmont): Mr. Speaker, last Wednesday the Minister of Public Works said he would reconsider the matter I had raised in my motion No. 62 last week, which had to do with the Stanford research study. Is the minister now able to table the document I referred to?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, a decision in this matter involves the Minister of Transport and I have not had a chance to discuss the matter with him.

Mr. Baldwin: Try to get him here more often.

ORAL QUESTION PERIOD

THE MINISTRY

RETURN OF MINISTER OF NATIONAL REVENUE FOLLOWING ILLNESS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I know I express the pleasure of all hon. members of the house in welcoming back the Minister of National Revenue.

Some hon. Members: Hear, hear.

Mr. Stanfield: I hope he finds himself in good health, well able to discharge his duties to his department and to render all possible assistance to the government.

[*Later:*]

Mr. Speaker: I recognize the Minister of National Revenue.

Some hon. Members: Hear, hear.

[*Translation*]

[*Later:*]

Hon. Jean-Pierre Côté (Minister of National Revenue): Mr. Speaker, I would like at this stage to thank the Leader of the Opposition (Mr. Stanfield) who, I think, spoke on behalf of all hon. members when he welcomed me upon my return here from the hospital. I can tell him that the operation was a complete success and that within a few months I will be able to carry out my duties as before.

[*English*]

I should also like to thank all hon. members who sent me notes while I was in the hospital, and assure them that they helped a lot in bringing me back here so quickly after my operation.

[*Translation*]

[*Later:*]

If I risked my life in that operation, Mr. Speaker, it is because it was not my intention to lead the life of a disabled man, but rather to be in better shape still to discharge my duties.

Some hon. Members: Hear, hear.

[*English*]

EDUCATION

ABSORPTION OF NEW UNIVERSITY GRADUATES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Finance which arises from surveys showing that the recruiting effort by business and government has been substantially reduced on university campuses. It is estimated that 88,000 persons will graduate from universities this year, which is a record. Bearing that in mind, may I ask the minister if he will make a statement on motions in the near future to reassure the country that the economy will be able to absorb these new graduates, as well as to indicate what policies the government will follow and what programs it is prepared to undertake to ensure we do not lose to the United States or some other country a high proportion of this year's expected 88,000 graduates.

Mr. Speaker: Order, please. I think the Leader of the Opposition is asking the Minister of Finance to make a very general statement of a type which ought to be made on motions. But if hon. members think the question ought to be answered, and there is agreement for that, perhaps the minister might be allowed to do so.

Mr. Stanfield: I apologize if my question is not clear. I meant to ask the minister if he would make a statement on motions at an early date.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as always I shall be very pleased to consider my hon. friend's suggestion.

Mr. Stanfield: May I ask whether the specific question of the problem of finding employment for and using the talents of this large graduating class emerging from our universities this year is now before the cabinet in specific form?

Mr. Benson: Mr. Speaker, I of course cannot say what is and what is not before the cabinet. However, speaking without having read the report that my hon. friend has mentioned, I believe that Canada will be able to absorb all the good young people whom our universities can produce in the future.

POLLUTION

REQUEST FOR LEGISLATION DEALING WITH ENVIRONMENTAL ASPECTS

Mr. David Lewis (York South): Mr. Speaker, I would like to ask a question of the Minister of National Health and Welfare. In view of a recent, major accident on the Macdonald-Cartier Freeway which was alleged to have taken place in major part because of air pollution, and in view of the report this morning that the International Joint Commission is concerned with the pollution of the St. Mary's River by two large Canadian corporations, will the minister inform the house whether legislation will be brought down this session to deal with environmental pollution, and standards for clean air and clean water?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would advise the hon. member that this whole matter of air pollution was discussed at the last federal conference of health ministers. At that time we undertook to try to arrive at standards and criteria this year and, in consultation with the provinces, see if they can be applied across the country in a uniform way.

If that entails legislation the government would consider it, and hopefully, this year.

Mr. Lewis: Mr. Speaker, I wish to direct a supplementary on the same subject to the Prime Minister. Can the right hon. gentleman inform the house whether it is the intention of the government to implement a recommendation by a member of the Fisheries Research Board that the government ought to establish a single federal agency to deal with the problems of pollution across the country, or is that agency now in the Department of National Health and Welfare?

Mr. Munro: Mr. Speaker, so far as one over-all agency to deal with this question is concerned, that would be a decision for the government to make. As the situation now stands the studies on air pollution are being conducted in the Department of National Health and Welfare. We have been doing quite a bit of work in this field up to the present time. We have been discussing the matter with the provinces and, as I say, subject to getting agreement on certain standards in our consultation with the provinces, perhaps we might be able to bring in legislation this year.

Mr. Lewis: Mr. Speaker, I wish to direct another supplementary question, this time if I may to the Minister of Justice. Will his department look into the allegations contained in the report of the International Joint Commission and consider laying charges against the two corporations for polluting the St. Marys' River, if they are doing so as alleged by the commission, and will any other steps be taken to follow up that disclosure by this important international body?

Hon. John N. Turner (Minister of Justice): Yes, sir, we will certainly look into it. If charges are to be laid the matter might well fall within the purview of the provincial attorney general.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to put a question to the Minister of Transport. Can he tell the house if he will make investigations on the mining rights presently owned by some financiers in the far north of Quebec, who are not only interested in seeing the future international airport built on the north shore of the St. Lawrence, in order to meet their needs better, but who have recently paid the cost of a study conducted by a certain firm in collaboration with five federal members of parliament, in order to prove that the future international airport should be located at Sainte-Scholastique, in the constituency of Deux-Montagnes?

Mr. Speaker: Order. The hon. member can ask a question but not make a speech.

Mr. Rondeau: Mr. Speaker, I only wish to know whether the Minister of Transport intends to make investigations, in order to find out the relation between the possession of mining rights and the study now in progress, the object of which is to prove that Sainte-Scholastique should be chosen as the site of the future international airport.

Mr. André Fortin (Lotbinière): On a point of order, Mr. Speaker.

Without prejudice to you and without judging your intervention, I think that the question that you let go unanswered is in order, and I suggest that the Minister of Transport would be in a position to answer it. We are therefore expecting an answer from him.

Mr. Speaker: Order, please.

[*English*]

AIR TRANSPORT

CANADIAN REPRESENTATIONS BEFORE IATA RESPECTING HIJACKING

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport. Earlier this session a question was asked of the minister regarding what the government proposed to do to prevent the hijacking of aircraft. The minister said the matter was under consideration. I now ask the minister what proposals if any Canada is putting before the present meeting of IATA in Montreal regarding the prevention of hijacking of aircraft.

Hon. Paul Hellyer (Minister of Transport): I will have to take that question as notice. I am not sure whether or not there are any formal proposals being put forward. I can say however, that this is a matter of continuing concern, particularly in view of the large number of hijackings which have taken place in the last few months.

AIRPORTS

TORONTO—EXTENSION OF MALTON SITE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct this question to the Minister of Transport. Could the minister advise the house whether the studies which his department has been undertaking recently regarding the future needs of the Toronto international airport have led the officials of that department to the conclusion that the present Malton site can be sufficiently expanded to look after that airport's needs for the next 15 or 20 years in the supersonic age, or have they come to the conclusion that an additional site is necessary.

Mr. Speaker: The question asked by the hon. gentleman in those terms is similar to the question asked by the hon. member for Shefford. I suggest it should be rephrased, because it is not acceptable in its present terms.

Mr. Hees: Mr. Speaker, I simply asked the minister whether the studies recently undertaken by his department have enabled him to come to the conclusion that the present Malton airport site can be sufficiently expanded to look after the needs—

Mr. Speaker: I suggest that the question obviously suggests its own answer.

Mr. Hees: Is the minister's department considering another site to look after the future needs of Toronto international airport?

Hon. Paul Hellyer (Minister of Transport): The answer to this question is a matter of public record. As my hon. friend undoubtedly knows, if he follows events in respect of the Toronto international airport, we announced recently that the limited expansion which would take place there would be sufficient to accommodate traffic into the early 1980's and that soon, within perhaps a year or two, we would choose a site for an alternate airport which would look after the expansion looking beyond that date.

Mr. Hees: Is the minister giving serious consideration to the area I suggested earlier, that is the Picton area, where there is an excellent site which would accommodate all the needs of the department?

Mr. Hellyer: There are certain inherent liabilities which are obvious.

Mr. Speaker: Order.

[*Translation*]

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Speaker: Order. I assume the hon. member for Shefford, has a modified question to ask too.

Mr. Gilbert Rondeau (Shefford): Yes, Mr. Speaker.

Since the Minister of Transport is ready to answer, could he tell us whether it is true that the Quebec government was only advised on September 10, 1968, of the official decision taken by the federal government, to build a new international airport in Quebec, in spite of the fact that Messrs. Baribeau and Beanhaker's studies had been going then for over a year and a half?

Mr. Speaker: I do not think the question as put by the hon. member is in order. All he is asking is that a statement made outside the house be confirmed or denied. In this sense, I do not think it is in order.

Mr. Rondeau: I should like to discuss this matter at ten o'clock, Mr. Speaker.

[*English*]

CANADIAN BROADCASTING CORPORATION

"FESTIVAL"—ALLEGED DEGRADING PERFORMANCE, "NEIGHBOURS AND THE BASEMENT"

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State who reports for the C.B.C. I have received a number of communications, as I am sure have other members, regarding the degrading and demoralizing program on the "Festival", series called "Neighbours and The Basement", which appeared on the C.B.C. on January 15. Has the minister inquired of the C.B.C. whether or not the admonition of the Prime Minister that government should stay out of the bedrooms of the nation should apply as well to a publicly owned corporation. This particular show, I am told, was degrading, demoralizing—and worse.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, for the portion of the right hon. member's intervention that constitutes a question, my answer is yes.

Inquiries of the Ministry

[*English*]

INDIAN AFFAIRS

FLOODING OF HOMES THROUGH HYDRO DEVELOPMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. In the dispute between the Indians of northern Manitoba and the Manitoba Hydro in respect of the flooding of a large number of Indian homes as a result of hydro development, is the department assisting the Indians concerned by paying for their legal and any other expenses which they may have.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know what the problem is and the officials of my department in Manitoba do their utmost to assist the Indians who are in the unhappy situation of being unable to find some ground for understanding with the Manitoba government.

[*English*]

Mr. Orlikow: I should like to ask the specific question whether the department is considering paying the legal costs in respect of counsel whom the Indians have employed.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am unaware of this aspect of the matter but I shall inquire.

[*English*]

EXTERNAL AFFAIRS

AGENDA FOR PARIS-QUEBEC DISCUSSIONS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Prime Minister. May I ask the right hon. gentleman whether he or the government have obtained an inkling as to the agenda for the Paris-Quebec talks.

Right Hon. P.-E. Trudeau (Prime Minister): Do I have the agenda?

Mr. Muir (Cape Breton-The Sydneys): Have you obtained an inkling concerning what may be on the agenda for the Paris-Quebec conference?

Mr. Trudeau: The French authorities have notified us of the meetings that are to go on. In a protocol sense they have behaved compatibly with our understanding of international law. We are assuming the discussions will be on subjects which are covered by the agreement between France and Canada, the accord cadre, and we hope this assumption is a correct one.

Mr. Muir (Cape Breton-The Sydneys): May I ask the Prime Minister whether the question of bilingualism is among the subjects that will be on the agenda and, secondly, whether the Prime Minister plans to invite a delegation from Brittany to discuss matters of mutual and cultural concern.

CONSUMER AFFAIRS

WESTERN CANADA—INVESTIGATION INTO HIGH PROFITS OF GROCERY TRADE

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Is the minister in a position to reply to the request of the Consumers Association of Canada that there be a federal investigation into the alleged high profits of the grocery trade in western Canada?

Mr. Speaker: Order, please. It seems to me this is a question of a general nature. Perhaps the question might be placed on the order paper. If my interpretation of the question is wrong, I would see to it that it is placed on the list of questions for consideration at the time of adjournment.

Mr. McGrath: May I point out that this request was made of the government in the last few days by the Consumers Association of Canada.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The communication from the Consumers Association of Canada was relative to the annual report of the Director of Investigation and Research under the Combines Investigation Act. I have proposed that there be a meeting between the C.A.C. and the Director of Investigation and Research, because I think there is some misunderstanding in the C.A.C. relative to the powers, duties and functions of the Director under the Combines Investigation Act. I am also meeting this afternoon with representatives of the Consumers Association to discuss with them the white paper on price stability, which I tabled before Christmas. I am sure the subject will be pursued with them.

Mrs. Grace MacInnis (Vancouver-Kingsway): In view of the minister's indication that the Combines Investigation Act cannot be used

for this purpose, will he work with the appropriate ministers in the prairie provinces to effect such an investigation of grocery prices.

Mr. Basford: I had one meeting before Christmas with the Attorney General of the Province of Saskatchewan, who was the chairman of the three provincial ministers who were asked by their respective premiers to look at the recommendations of the Batten report. I proposed that Mr. Heald, the Attorney General of the Province of Saskatchewan, hold a meeting with the three provincial ministers in respect of that royal commission report.

ANTI-DUMPING DUTIES

APPOINTMENT OF MEMBERS TO TRIBUNAL

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to ask the Minister of Finance whether he can advise the house as to when he proposes to appoint the final two members to the anti-dumping tribunal?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, they will be appointed as work develops for the tribunal. I understand that to date there has been only one case referred, and the members we now have are adequate for the work load. The idea is that as the work load increases we will extend the board membership to five members.

Mr. Hales: If it becomes necessary to increase the board membership to five, can the minister assure the house that the other two appointments will be given to well experienced businessmen?

Mr. Benson: Mr. Speaker, I should like to say that I believe the appointments to this board are men of as high calibre as any board we have in Canada. I have great confidence in every person appointed to this board.

REGIONAL DEVELOPMENT

REQUEST FOR LEGISLATION ESTABLISHING DEPARTMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the minister of regional development when the house may expect to receive the long awaited bill in respect of the establishment of his department, so he can proceed with this important work?

Hon. Jean Marchand (Minister of Forestry and Rural Development): As soon as possible, Mr. Speaker; and we are anxious to produce the bill.

Mr. Stanfield: Is it possible for the minister to give the house some estimate in terms of days or weeks as to when this might happen?

Mr. Marchand (Langelier): I am ready to discuss the matter with the house leader, after which perhaps I can give a more precise date.

EXTERNAL AID

POSSIBILITY OF EXTENDING ASSISTANCE PROGRAM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, last Wednesday I asked the Minister of Transport in his capacity as Acting Prime Minister whether the government's review of Canada's foreign policy included a study of the possibility of increasing our activities under our external aid program. The minister said he would draw this important question to the attention of the Prime Minister and the Secretary of State for External Affairs. I expressed the hope that there might be a statement on this matter this week, and I wonder whether it is now ready?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the answer to the specific question is yes. This is part of the government's review of foreign policy, and we are considering both the quantity and the quality of our foreign aid.

Mr. Knowles (Winnipeg North Centre): Would the Secretary of State for External Affairs indicate when it is expected that Canada will reach the target of 1 per cent of our gross national product in respect of foreign aid?

Mr. Sharp: I cannot be precise, Mr. Speaker, but like the Minister of Finance, I should like to say "as soon as possible."

Mr. Speaker: Order, please. I doubt whether that question is in order.

[*Translation*]

POST OFFICE DEPARTMENT

DELAY IN MAY 7 DELIVERY

Mr. Henri Latulippe (Compton): Mr. Speaker, my question is for the Postmaster General.

Since many of my constituents have complained about numerous delays in the mail delivery, could the Minister indicate to the

house whether steps will be taken to improve the service?

Mr. Speaker: It seems to me that the hon. member is asking a question which has been raised on several occasions these last few days.

[*English*]

NATIONAL DEFENCE

DISCUSSIONS ON STRATEGY AND PROCUREMENT

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask the Minister of National Defence whether he is now in a position to answer the question I asked last Friday, which was taken as notice by the then acting minister? I asked whether the Minister of National Defence would inform the house as to the purpose of the discussions that are taking place this week between the Canadian chief of the defence staff and the French chief of the joint staff, reportedly on matters of strategy and procurement, and specifically whether this had any connection with the review of Canadian defence policy, and implied either Canadian procurement of supplies in France or joint procurement projects between France and Canada.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I shall try to answer all parts of the question in a manner satisfactory to the hon. member. I can say generally that the chief of staff took advantage of this trip to Brussels last week as a result of an invitation extended to him by the joint chiefs of staff of France, but there is no implication so far as procurement is concerned. We are not contemplating buying anything from France at this moment, and I should say there is no connection with the review that is taking place. I think this meeting is specifically concerned with some training manuals in French, which the Canadian forces are trying to produce in Canada.

DRUGS

REQUEST FOR REPORT OF ADVISORY COMMITTEE ON SAFETY

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he is in a position to give us a report of the results of the advisory committee on the safety of drugs?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, I can obtain a copy of that report when it is ready and table it in the house, if that is satisfactory.

FINANCE

REQUEST FOR PRODUCTION OF ECONOMIC FORECAST

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct a question to the Minister of Finance in relation to a question I posed to his parliamentary assistant on December 19. I asked whether he would make available to the house the economic forecast which was made available to provincial premiers.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I should like to take this question as notice and answer it on Friday.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST TO REVISE CENTRALIZATION POLICY

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the great number of complaints received following the centralization of Unemployment Insurance offices, I would like to ask the minister whether he does not consider this sufficient reason to review that new policy?

[*English*]

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, as the hon. member is no doubt aware, the Unemployment Insurance Commission is a body which reports to parliament through me, but acts in an independent manner, free of political interference. If the hon. member has any concrete evidence that the commission is not fulfilling its role satisfactorily I will be pleased to take the matter into consideration and pass it on to the commission.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wonder whether the minister would discuss with the commission the advisability of not dismissing long service employees who are being let go because of a reorganization, but keeping them on until retirement takes place, as other government agencies have done?

Mr. Mackasey: Mr. Speaker, I will be quite prepared on motions at an early date, perhaps tomorrow, to explain the procedure I have worked out with the Unemployment

Insurance Commission. As I have said on several occasions, no one in the commission will be laid off with less than six months notice, which is double that normally given. I anticipate that, at a maximum, less than 50 people working for the Unemployment Insurance Commission, out of an original 800, will be given six months notice some time in February.

REGIONAL DEVELOPMENT

FRED—PLAN FOR WESTERN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I should like to ask the Minister of Forestry and Rural Development whether he is prepared to answer the question I posed on Friday, January 17? I could repeat it if he wishes. I asked the acting minister because the minister was not in the house, whether he had received from the Newfoundland government a report on the proposed development plan for western Newfoundland under the FRED program, amounting to $305 million.

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I have received this report. It is my view, which I believe the provincial government shares, that it would not be wise to base development measures for the province on the study of this area alone. We all know that the economic problems of the province as a whole are very difficult. In co-operation with Newfoundland officials, my department is currently examining what steps would best lead to the most effective joint development measures for the province.

SPORTS

NATIONAL HOCKEY LEAGUE—POSSIBLE TRANSFER OF OAKLAND FRANCHISE TO BUFFALO

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs in relation to the reply he gave to a question asked last Monday concerning the possible transfer of the National Hockey League franchise from Oakland to Buffalo. I ask whether in that answer which in my opinion contained a veiled threat, the minister seriously wants Canadians to believe that in his opinion a transfer of this franchise to Buffalo would perhaps contravene the provisions of the Combines Investigation Act, whereas a transfer to Vancouver might not do so.

Mr. Speaker: Order, please. I think the hon. member is asking the minister to interpret a statute. I would not think that, asked in those terms, the question is acceptable.

Mr. Simpson: On a point of order, Mr. Speaker, the minister has already left that impression by saying he hopes that by the time they make this decision—and this indicates his interest in the franchise going to Vancouver—it will not be necessary for him to take action under the Combines Investigation Act.

Mr. Speaker: The minister was not in order in interpreting the statute, and the hon. member is not in order in interpreting the minister's interpretation.

INDIAN AFFAIRS

FEDERAL-PROVINCIAL CONFERENCE—ADEQUATE FACILITIES FOR INDIAN REPRESENTATIVES

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. My question is related to what I understand was an announcement by the minister a few days ago that there will be a federal-provincial conference on Indian Affairs. If there is to be such a conference, will there be facilities for representatives of the native Indian people, in addition to government representatives, to be in attendance and participate in it?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it has not been decided yet to organize a federal-provincial conference on Indians problems. However, we have discussed this with the provincial Ministers of Welfare at last week's conference. When we reach a decision, we shall announce it, in order to determine the best method to get to know the views of the Indians.

FINANCE

QUEBEC BONDS IN EXCHANGE FOR CANADA SAVINGS BONDS

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I wish to ask the Minister of Finance a question. In view of the fact that salesmen of Canada Savings Bonds are presently going around "La belle province" telling people that Quebec will go bankrupt and advising them to exchange Quebec Savings

Bonds against Canada Savings Bonds, could the minister tell us whether he has given instructions to his agents to act like that?

[*English*]

Hon. E. J. Benson (Minister of Finance): First of all, Mr. Speaker, I do not admit the premise of the question, and would like to take it as notice.

[*Later:*]

[*Translation*]

Mr. Dumont: On a point of order, Mr. Speaker. While I was asking earlier—

Mr. Speaker: Is the hon. member for Frontenac raising a point of order?

Mr. Dumont: Yes, Mr. Speaker.

For the information of the Minister of Finance, I tried to give him notice of my question, but unfortunately, I could not get anyone who spoke French at his office or at his assistant's. Because I have been unable to give notice, I cannot get an answer today.

[*English*]

Mr. Benson: Mr. Speaker, I did not receive notice of the question. As I understood the question, there was some action taken by people selling Canada bonds. I should point out to my hon. friend that at the present time we are not selling bonds in the market; the Canada Savings Bond campaign is completed, and was very successful. The only sales of bonds that can be going on are through dealers, where people are changing investments.

HEALTH AND WELFARE

REQUEST FOR ASSISTANCE FOLLOWING ACTION RESPECTING HOSPITAL CONSTRUCTION GRANT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would like to direct my question to the Minister of National Health and Welfare. Arising from the minister's answer of January 15 to my question regarding the postponement of the expansion of ten of thirteen medical teaching centres in Ontario, will the minister undertake to make a statement as to what policies will be introduced by the federal government to meet the critical shortage of medical personnel, which the recent postponements will only make worse?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not believe any further statement is required. At the last federal-provincial conference of health ministers the federal government indicated the position we would have to take in the forthcoming year, namely that the expenditures out of the fund for this type of development would have to be limited to $37 million.

EXTERNAL AID

REQUEST FOR INCREASED USE OF AGRICULTURAL PRODUCTS

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and relates to his statement in connection with a change of plans regarding foreign aid. I wonder if the minister could say whether there are plans for an increased amount of our domestic agricultural products to be used in foreign aid.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the hon. gentleman knows that in general our aid is for the purpose of satisfying the priorities established by the developing country. We would be very happy to fit our agricultural products into a program put forward by those countries, if this is their order of priority.

LABOUR CONDITIONS

DISMISSAL OF COMMISSIONAIRES FROM MUSEUMS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State. In connection with the cultural happening scheduled to take place in the Laurentians this week, will the question of the 15 commissionaires fired from museums be the subject of any review?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the officials of cultural institutions at their meeting in Val David next Friday and Saturday are to establish their own agenda and I cannot say if this matter will be on it.

[*Later:*]

[*English*]

Mr. Dinsdale: Mr. Speaker, I rise on a point of order with reference to the question I addressed to the Secretary of State. Would the Secretary of State, in view of the concern of veterans' organizations over this matter, seize the initiative in conducting a review?

[*Later:*]

[*Translation*]

Mr. Pelletier: Yes, Mr. Speaker, that matter was never neglected by the Secretary of State.

Every time the matter was brought up, we considered it still more closely. I, myself, read in the newspapers today allegations, contrary to the reports I have received, that some commissioners had lost benefits or even salary, and I inquired about that at once.

The hon. member for Brandon-Souris may be sure that this is a matter we certainly have no intention of neglecting.

[*English*]

Mr. Dinsdale: Supplementary to my first question, Mr. Speaker, in the light of the growing protests from veterans organizations across the country over the injustice of the arbitrary action taken with reference to the commissionaires, would the minister seize the initiative himself and review this matter?

Mr. Speaker: Order, please. The hon. member will realize that at least part of his question was not in order. He can only ask a question, and cannot include in it an expression of opinion.

CANADIAN FILM DEVELOPMENT CORPORATION

ALLEGED FAILURE TO ASSIST FEATURE PRODUCTION INDUSTRY

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, while I have the floor, I would like to answer the question put to me by the hon. member for Brandon-Souris on January 15, with regard to the allegations of the Montreal Chapter of the Film Makers Association, accusing the Canadian Film Development Corporation of having failed to act. I told him that I would inquire and I am now in a position to give him whatever information I got.

At its meeting of December 17, the Canadian Film Development Corporation approved the investment of about $500,000 in the production of two feature films. They are "The Blast" and "The Act of the Heart". In addition, the Corporation is considering applications for three other feature films, fourteen feature film projects, two cases of distribution aid and two of film dubbing. The total investments should reach $1 million by the end of the fiscal year. The board of directors is to meet again at the end of January to discuss further the case mentioned.

LABOUR RELATIONS

REQUEST FOR REPORT OF WOODS COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour? Has the minister yet received the report of the Woods committee on labour relations and, if so, will he be tabling it in the house before long?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, the Woods committee report is at the present time in the office of the Prime Minister, since this task force was set up by the Prime Minister's office two years ago. I understand that the English version is now available to the Prime Minister's office and is being translated, and that over the next several weeks the French version of the Woods committee report will also be available to the Prime Minister's office. As to its disposition, in view of the fact that its recommendations affect many departments and not only the Department of Labour, I would imagine that the Prime Minister himself would want to outline to the house the procedure that he intends to follow with regard to the publication of the report.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the Prime Minister make such a statement now?

Mr. Speaker: Order, please. I wonder whether this is the time to do it. I must point out to the hon. member as well as to other members that we are again running short of time, and if the Prime Minister made such a statement I am afraid that would be the end of the question period.

Mr. Knowles (Winnipeg North Centre): At least the Prime Minister could tell us whether the report is going to be tabled.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, we will follow the usual practice. First we will have to read it and discuss it, and then we will see if it is in the public interest to table it.

ATLANTIC DEVELOPMENT BOARD

REPLACEMENT OF CHAIRMAN

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, my question is for the Minister of Forestry and Rural Development. In view of the fact that the term of office of the chairman of the Atlantic Development Board expires at midnight tonight, I should like to ask the minister whether a replacement has yet been made, and who it is?

Inquiries of the Ministry

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, a replacement has not been made yet.

Mr. McQuaid: I have a supplementary question, Mr. Speaker. Is it the intention of the minister to make an appointment or to ask the present chairman to carry on for a longer time?

[*Translation*]

Mr. Marchand (Langelier): This, Mr. Speaker, bears some relation to the question put to me by the Leader of the Opposition. Everything will depend upon the moment when the bill is tabled in the house.

[*English*]

NATIONAL DEFENCE

ABOLITION OF NAVAL RANKS IN CANADIAN ARMED FORCES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I would like to ask a question of the Minister of National Defence, of which I have given him a brief indication and on which he agreed to make some comment. I wish to ask him whether it is indeed the intention of the Department of National Defence or the chief of the defence staff to abolish the use of naval ranks for those serving in the sea element of the Canadian armed forces?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I can answer this question in the negative.

FINANCE

REQUEST FOR INCREASED BORROWING RATE FROM SUPERANNUATION FUND

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Finance, but since I just saw him leave the house I will direct it to the President of the Treasury Board. In view of the government's action in raising interest rates on farm credit loans, veterans' loans and now fishermen's loans, will the minister consider increasing the rate at which the government borrows from the superannuation fund from the present 4 per cent to at least 5 per cent or more?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, that question has been asked before, I think, and is being looked into.

[Mr. McQuaid.]

INQUIRY OF THE MINISTRY

[*Translation*]

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I wish to put a question to the Prime Minister.

Could he tell me whether during his stay in Europe he was able to find new solutions to help the poor in Canada?

Mr. Speaker: The hon. member's question is far too general. Therefore, I do not think it is in order.

[*English*]

HEALTH AND WELFARE

CARD SYSTEM FOR DRUG DISTRIBUTION TO INDIANS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Further to his reply to a question a few days ago about the replacement of the list system for Indians entitled to free drugs with a card system, will the minister say what target date has been set for this change and, if none has been set, will he undertake to report to the house on this matter?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, the cards have been prepared now as a result of consultations with the Indian people and other departments. We are spreading them out now amongst the Indian people. We hope that they will replace the list in due course, but there will be some duplication between the cards and the list for a month or so.

INDIAN AFFAIRS

LOCAL GOVERNMENT ON INDIAN RESERVES

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether before you call orders of the day—

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Howard (Skeena): Yes, Mr. Speaker. I have had a discussion with the Minister of Indian Affairs and Northern Development concerning a motion for the production of papers, about which we took some action earlier. The minister and I have agreed to have the motion transferred for debate. If I could have the consent of the house to revert to notices of motions for production of papers I would ask that this be done.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Transferred for debate.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Is the hon. member raising a point of order?

Mr. Laniel: Yes, Mr. Speaker.

I simply wish to bring to your attention the fact that I rose about fifteen times and that there might be time to allow my question now.

Mr. Speaker: I have no objection, if the house will agree to let the hon. member do it. I must say that my attention was directed to the left of the Chair.

Mr. Laniel: Yet it would be the only question that will have been permitted on the government side today, Mr. Speaker.

I wish to ask the following question to the Minister of Transport. In view of all that has been said and written to date about this matter, can the Minister of Transport assure the house that in deciding on a site for the future international airport, firstly, all the economic advantages for the country and, secondly, the real advantages for the airline companies and the passengers who will use them, will be taken into consideration?

Mr. Speaker: The hon. member is making representations to the minister which are similar to those made previously. In that sense, I doubt that the question is in order.

Mr. Laniel: Mr. Speaker, I should like to point out that in the event of an affirmative reply, a site could have been chosen west of Montreal, between the riding of Stormont-Dundas and the metropolis.

[*English*]

GOVERNMENT ORDERS

FISHERIES IMPROVEMENT LOANS ACT

AMENDMENT SUBSTITUTING RATE PRESCRIBED BY GOVERNOR IN COUNCIL

The house resumed, from Tuesday, January 21, consideration of the motion of Mr. Davis for the second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill C-151, to amend the Fisheries Improvement Loans Act.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, it is not my intention to delay the passage of Bill C-151 but I would like to take this opportunity to say a few words about it. This bill is an act to amend the Fisheries Improvement Loans Act, and yesterday I listened with interest to some of the debate on the bill.

I am not going to try to cover the ground which several hon. members from the Atlantic provinces covered in connection with the use to which this bill could and should be put. However, I do protest to the minister and the government against the clause in the bill which removes the 5 per cent ceiling on interest rates and leaves it up to the Governor in Council to set the interest rate which fishermen must pay for loans under this act. It seems to me that the government, in this field as in others, is moving in the wrong direction.

A number of hon. members referred to a lack of use by fishermen generally of the Fisheries Improvement Loans Act. I am quite certain that the increase in interest rates, which is bound to come about by the removal of the 5 per cent maximum rate, is going to do nothing to encourage fishermen to take out loans under this act.

I was very pleased to see the minister and other hon. members make reference to the excellent record of fishermen in regard to the repayment of loans under the act. I agree with other members that this should be broadcast widely. It is very interesting to note that in 13 years only nine loans, amounting to a small total of just over $3,000, have not been repaid. I do not think any other group in Canada can match this record, and the fishermen and their organizations can be very proud of the people in their ranks.

• (3:10 p.m.)

In going over the information given to the house yesterday it seems apparent to me that in some parts of Canada fishermen or fishermen's unions are not taking advantage of the loans available under this bill. I should like to pose a question or two to the minister. Has he or his department checked to see why the fishermen and their organizations have not made greater use of this act as a means of obtaining improvement loans? It seems to me it would be logical for fishermen to make the best possible use of this legislation when they needed loans for the improvement of their

fishing equipment. I was amazed to learn of the small number of loans which had been taken out over the years. I would appreciate it very much if the minister when he winds up the debate could tell us why the fishermen in certain provinces in particular appeared extremely reluctant to seek assistance under this measure.

Finally, I repeat my complaint about the raising of the present maximum interest rate of 5 per cent. Throughout this session we find the government doing the same thing in connection with all new loan legislation. In my opinion this is not the way to bring relief to people who apply for assistance and desperately need it.

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, the proposed amendments to the Fisheries Improvement Loans Act are certainly in the interests of the fisheries industry in all parts of Canada. During this debate some hon. members have attempted to suggest there were provincial motives involved on the part of the Minister of Fisheries (Mr. Davis). I do not think inferences of this kind have any place whatever in the House of Commons.

An unfair inference was drawn yesterday by the hon. member for St. John's East (Mr. McGrath) that because the minister comes from British Columbia he had in some way worked against the great province of Newfoundland and other provinces in this country. Such an allegation is unworthy of this assembly. An attempt was made to divert the attention of the house from the real merits of the bill before us. It is a good bill, a bill which will provide a great deal of credit to help fishermen to build new boats, to equip their boats better, and to become more effective wherever they may fish.

The number of lending institutions is being increased. The interest rate is being made more flexible and more realistic. If the hon. member for St. John's East had any knowledge whatsoever of economics he would surely welcome this change. Loans may be made for a wider range of purposes than ever before. The minister, who needs no one to defend him because he is doing a good job in the office he holds, invited suggestions from the opposition with regard to a new limit on the total amount of loans to fishermen. Instead of constructive proposals we heard a diatribe unsupported by the facts. The minister pointed out that in 1955 the limit was $4,000 and that in 1965 there was a limit of $10,000. He suggested that perhaps $25,000 would be a realistic new limit and asked the opposition to make constructive proposals for changes in this area. What did we get? A total absence of constructive thought.

Mr. McGrath: The bill is only good for British Columbia.

Mr. Perrault: Again we hear divisive talk from the hon. member. It is fortunate we have *Hansard* because in an earlier year the hon. member, who was then assistant to one of the ministers, made a speech in the house. That was on May 12, 1961. The ground rules were different then, however, when this outspoken Conservative critic was a backbencher supporting a Conservative government. This is what he had to say then; I quote from page 4735 of *Hansard*:

> I realize that all too often people speaking on this subject tend to generalize and to oversimplify, and I hope that this afternoon I will not be too guilty of generalization, bearing in mind at all times that I do not have a really technical knowledge of this very complex subject.

He was uttering truth, Mr. Speaker. This is indeed a complex question. No one in Canada can remain unconcerned about this problem whether he lives in British Columbia or on the prairies or in the maritimes, because we are a united country.

I trust the hon. member is as concerned about the problems we face in British Columbia as we in British Columbia are concerned about the future of the maritimes. At an earlier period in his political career it seems the hon. member had a more highly developed spirit of candour. He said:

> I think you have here the real weakness of the Canadian salt fish industry, the fact that our markets for this product depend upon the stocks or supplies of the European markets. It is a common fact that most of the European markets are supplied generally by their own subsidized fleets operating in most cases in Canadian waters.

Of course it is a fact. It continues to be a fact today. But the same hon. member who told us in 1961 that the problem did not lend itself to oversimplification now asks the Minister of Fisheries to stand up and provide instant solutions to the difficulties of the Newfoundland fishermen. He knew in 1961 when he was defending his own government that this was impossible, that this was one of the problem areas.

The other day the hon. member for St. John's East accused other members of this house of knowing nothing about Newfoundland. "You haven't even been there", he said. Mr. Speaker, I have always wanted to go to

Newfoundland. I am going there next month and I hope to talk to some of the people engaged in the fishing industry there. In this connection I might mention that when the hon. member spoke in May of 1961 he was asked by the hon. member for Bonavista-Twillingate, the hon. Mr. Pickersgill, whether he had ever visited the research station in Valleyfield, Newfoundland. His reply was:

Unfortunately I have not, because Valleyfield is so isolated and so far away from the main centres of the island that I have been unable to go there.

Mr. McGrath: There was no road through.

Mr. Perrault: I hope the hon. member was eventually able to get to Valleyfield in his own province and that he will excuse some of us for not getting to Newfoundland when in terms of miles it is considerably farther away from us.

Mr. McGrath: May I ask the hon. member a question?

Mr. Perrault: Oh, the hon. member for St. John's East made a spectacular speech yesterday. If he has any further statement to make, he can make it after I have finished.

Mr. McGrath: You can get to Valleyfield now because we built a road there.

Mr. Perrault: On another day and on another occasion the hon. member had something else to say about the Newfoundland fishery. These are his words as recorded in *Hansard* of April 28, 1959, at page 3137:

• (3:20 p.m.)

This question is a complex one. It has been perplexing the governments down through the years. One has but to look briefly at the history of Newfoundland to see that the economy, up to perhaps a few years ago, was based solely on fish; it was a one-product economy. The folly of this economic condition became evident in Newfoundland during the world-wide depression in 1933, for at that time we found ourselves unable to sell our fish in the world markets—

Now, I am one, sir, who is of the opinion that the future of Newfoundland, and to a very large extent the future of Canada's tenth province, will ultimately depend on the attitudes and policies of this government and the provincial government toward the fishery of Newfoundland.

After three years of Conservative government this is what the hon. member had to say about the then existing situation in the province of Newfoundland:

What do you find today if you go into these same settlements? You will find the little potato field grown over with weeds. He no longer keeps dairy cattle or poultry to supply his own needs. His fishing gear is rotting. His nets have rotted away and in some cases the people have not even bothered to request that the wharf be rebuilt.

That is what the hon. member for St. John's East had to say about Newfoundland after three years of Conservative administration.

Mr. Speaker: Order, please. I have to interrupt the hon. member. Will he resume his seat. It seems to me that I must bring to his attention that the rules of relevancy require that the hon. member refer to the bill that is before the house. We should hear what his views are about the bill before the house, not necessarily what he thinks about the views that were expressed by the hon. member for St. John's East.

Mr. Perrault: With respect, Mr. Speaker, I accede to your request but I would remind the house that when a member of this assembly stands up and accuses this minister of a total misrepresentation of the facts, in a speech that wandered widely afield from the measure under discussion, this calls, in my submission, for a reply from somebody in the house.

These amendments are good; they are constructive and they are realistic. Those engaged in our fishing industry will be given access to more money at very favourable rates of interest. The minister is to be commended for the leadership he has shown in the matter of proposing amendments. I am simply pointing out to the house that we have not had a completely candid analysis of this bill on the part of the hon. member for St. John's East.

For example, the hon. member failed to point out to the house that the provincial government of Newfoundland makes assistance available to those in the fishing industry in that province at an interest rate of 3½ per cent. Much of the money that Newfoundland uses to provide a base for that program derives from the federal government. It might be in the interests of Canadian unity and of fair credit given for this fact to be acknowledged by the hon. member. What did we hear from him yesterday? A violent, inaccurate, personal attack upon the minister and his integrity and, in effect, an attack on the province of British Columbia.

I have referred to the position of the Conservative party in 1959 when the hon. member was defending this measure with such

vigour. He said that the government of that day—

Mr. Speaker: Order, please.

Some hon. Members: Sit down.

Mr. Speaker: According to the rules the hon. member should first resume his seat. The hon. member is again referring to statements made by the hon. member for St. John's East on another occasion. I feel that I have been as lenient as possible in allowing the hon. member to reply to some extent to the statements that he alleges were made by the hon. member for St. John's East yesterday. Having done this, the leniency of the Chair having been exercised to that extent, I think the hon. member should co-operate with the Chair and return to the consideration of the measure before the house.

Mr. Perrault: Mr. Speaker, I hope that the point has been made as to the divergence between the statements made when the hon. member was defending his government in facing this problem and the statements that he made yesterday. In his speech we were told that there is a lack of assistance to the province of Newfoundland from the federal government. If the hon. member would become active in supporting this legislation, which is going to increase the amount of money that can be borrowed by those engaged in the fishing industry and make it available at realistic interest rates, he would be making a more constructive contribution on the part of his province than the contribution he made yesterday.

Under the provincial program, 10 per cent of the cost of a boat is available through a provincial subsidy at an interest rate of 3.5 per cent, repayable in ten years. On used equipment there is a 25 per cent subsidy, also at 3.5 per cent interest and repayable in ten years. That was one reason there were only 18 fisheries improvement loans in Newfoundland over the period cited by the hon. member in his speech.

How is this provincial assistance made available? It is because federal government development dollars amount to more than 30 cents for every $1 spent for all purposes in Newfoundland. Yet the hon. member from Newfoundland has told us that the government is doing nothing for Newfoundland and for Newfoundland fishermen, that the minister is, in effect, a liar. He would do better to support this measure, get behind it, and do a personal public relations job in Newfoundland by encouraging those in the fishing industry in the province to examine the legislation very carefully so as to find out whether or not they may qualify, and thus render a real service to his province. Quite apart from the unparliamentary aspects of some of the inferences that he drew yesterday, it is a fact that the federal government puts up over half the money in Newfoundland's provincial budget.

Mr. McGrath: Mr. Speaker, I rise on a question of privilege. The hon. member has implied that yesterday I said things which were unparliamentary. I maintain this is not so. At no time was I called to order by the Chair for saying things that were unparliamentary. I submit to Your Honour that the hon. member should withdraw that remark.

Mr. Perrault: If the hon. member is willing to withdraw his suggestion that there was a total misrepresentation of the facts on the part of the minister, then I will consider his request.

Mr. Speaker: Order. I cannot rule on what was said by the hon. member yesterday, but I will rule that it is not unparliamentary to say that an hon. member has said something that is unparliamentary. I would leave it at that.

Mr. Moores: Mr. Speaker, a point of order—

Mr. Perrault: The measure before the house—

Mr. Speaker: Order. The hon. member is rising on a point of order.

Mr. Moores: I should like to raise a point of order with regard to the hon. member's remark that the Newfoundland government has set up an agency to lend money at 3½ per cent. I would not want the hon. member to misinform the house, but I think he will find—

Mr. Speaker: Order, please. The hon. member knows that that is not a point of order. If he believes that it is then he might indicate to the Chair under which standing order he is raising it. That might be a little embarrassing for him.

Mr. Perrault: Mr. Speaker, I am attempting to point out that there is concern on the part of members from all parts of Canada with regard to the plight of the Newfoundland and

maritimes fisheries. But aid has been extended to the fisheries for a number of years, and this measure is simply going to improve the situation and make more money available for more purposes at realistic interest rates. The federal government, through all departments —fisheries, public works, transport, unemployment insurance, etc.—puts up the equivalent of more than 40 cents for every $1 that the fisherman gets for his fish.

In 1968—and this relates to the program which is part of the general pattern of assistance—the government had in operation three expenditure programs involving $4.5 million for groundfish, $2.5 million for salt cod and $1.2 million for the resettlement of fishermen. These programs were in addition to the other aid that is provided. This fact was not referred to yesterday by the hon. member.

• (3:30 p.m.)

If we are going to help any given part of Canada, then there must be a degree of cooperation among members of all parties of this house. The hon. member for St. John's East is either ignorant of the facts or he has chosen to ignore them; and neither condition is acceptable. I urge the hon. member to spend more time in his province promoting and encouraging a greater use of the Fisheries Improvement Loans Act and less time in pursuing personally destructive vendettas against the Minister of Fisheries and the federal government. It is to be hoped that since he has now made his speech he will support this measure in the interests of the fishermen of Canada wherever they live.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, some time ago the Prime Minister (Mr. Trudeau) asked who the hell was the hon. member for Burnaby-Seymour. I am wondering what the hell the hon. member is trying to prove with his irrelevant remarks.

Mr. Speaker: Order, please. I may be anticipating the hon. member's remarks but I must tell him, as I told the hon. member for Burnaby-Seymour, that under the rules hon. members' remarks should be confined to the principle of the bill and should not be personal in any way.

Mr. Lundrigan: I understand that, Mr. Speaker. It is unfortunate that the hon. member's remarks misrepresented the facts of a situation. No one will deny that in presenting Bill C-151 the Minister of Fisheries is trying to make an effort, in one form or another, to help the fishermen of Canada ameliorate their circumstances. One of our problems is that the Minister of Fisheries does not know the Atlantic region. His sincerity notwithstanding, he has not had a great deal to do with the Atlantic fishery. It might be a good idea if we had two deputy ministers responsible for fisheries, one dealing with the Atlantic region and one with the Pacific coast. Because there are great differences between the east and west coast fisheries I have heard it suggested that there ought to be two ministers responsible for fisheries who in turn would have deputy ministers. Although no one can say that the minister is displaying no interest in our fisheries it is true that he knows little about Atlantic Canada. I think he will be the first to admit that.

It is well for the minister to understand that our Atlantic fishermen are not looking for handouts or for government of Canada doles. I take strong exception to any suggestion that under Bill C-151 our fishermen will be entitled to receive a form of dole. That kind of thinking is unworthy of some of our better off Canadians who live in industrialized regions. It is unjust for anyone to classify some people in Canada as second class citizens who are satisfied to live on government handouts. Anyone making that suggestion about our Atlantic fishermen is wasting the time of hon. members and of this house.

Several times during this debate hon. members have mentioned that the fishermen of Newfoundland receive 40 per cent of their total incomes in the form of government handouts. Only last month the government of Canada made a so-called sacrifice and shipped 50 million pounds of fish to Biafra. The world looked on and said, "My, what a government they have in Canada; what a great government." The Secretary of State for External Affairs (Mr. Sharp) was happy with the shipment, everyone was happy, and representatives at the United Nations acclaimed the magnificently benevolent attitude Canada displayed toward the suffering people of Nigeria and Biafra. We sent the fish all right, but what the people of the world did not understand was that the government of Canada squeezed the fishermen of Newfoundland in order to obtain that fish at the lowest possible price. It was the fishermen of Newfoundland who made the sacrifice and who shipped that fish to Biafra.

Mr. McGrath: Hear, hear.

Mr. Lundrigan: I wish to place on record what the government did. Officials of the government of Canada asked merchants of the

Atlantic region to press fishermen for the lowest possible price as a condition to obtaining government contracts for the fish. As a result some fishermen in Newfoundland were paid as little as $13 per hundredweight of fish, the price last year having been $27 a hundredweight. Today we have people in Newfoundland kicking their heels on wharves and wondering what happened to the great benefits this government promised them and to which the hon. member for Burnaby-Seymour alluded.

Yesterday evening the minister outlined the aims of this legislation, as found on page 4581 of *Hansard*. No one will question the ultimate aims of Bill C-151. We all want to see the fishermen of Atlantic Canada and other parts of the country benefit from the legislation. Yet the fact remains that few have made use of this legislation in the past. Merely passing this bill is like saying to our fishermen: There are fish in the water. The fact remains that the oceans are large. The question is, where are the fish? In the past fishermen did not know of the provisions of similar legislation. They did not know they could obtain money. Not many loans were made under this legislation last year, and the hon. member for Burnaby-Seymour and the Minister of Fisheries are aware of that fact. Will it be the responsibility of the Minister of Fisheries, the Minister of Finance or anyone else charged with the administration of this legislation to make known to our fishermen the provisions of this legislation? The government allocated $500 to make known to the fishermen of Newfoundland the provisions of previous legislation. That was not enough. Our fishermen must be made aware of the provisions of this legislation.

The fact is that since our fishermen live in little coves and inlets they cannot receive messages through the mass communications media as readily as the citizens of Toronto or other metropolitan centres. Our fishermen should know of the benefits they can derive from Bill C-151, how they can apply for loans, pay those loans back, and what they must do if they get into difficulties and cannot make payments for a number of years. The government may have to hire public relations people to make known the benefits of this legislation, or it could be done through inspectors. It is a waste of time enacting laws to benefit our fishermen if they do not know of those laws.

Clearly the hon. member for Burnaby-Seymour is privy to information not available

to other hon. members. Twice during his speech this afternoon—and I think tomorrow's *Hansard* will bear me out—the hon. member said that this legislation will bring more favourable rates of interest to the fishermen of Canada. I have not seen anything in Bill C-151 to bear out that statement. There is no indication that interest rates will decline or become more favourable. Apparently the hon. member knows something about future interest rates; I am afraid our fishermen do not know what he knows. Hon. members will remember what happened to interest rates under farm legislation recently passed in regard, to interest rates charged on farm loans. There was no guarantee. The frozen interest rate of 5 per cent was lifted and there was no indication what rate of interest would be paid by these people. This is the third occasion in the last couple of months that we have seen the same thing happen.

• (3:40 p.m.)

I do not think we would be too happy, when purchasing a car, about going to a bank and getting involved in a financial transaction without knowing something about the interest rate. I cannot stand here and say to the Minister of Fisheries, to the hon. member for Burnaby-Seymour, and to the house that I am happy with this kind of blind approach to everything. I cannot make such a statement. I am not going to say on behalf of the fishermen in my riding that I am happy with an interest rate when I have no idea what it will be.

The hon. member for Burnaby-Seymour indicates that it is going to be a more favourable rate of interest. I ask the Minister of Fisheries to tell us what the rate of interest will be. I will certainly be happy to find out how much more favourable it is.

Mr. Perrault: You could not get money at 5 per cent.

Mr. Lundrigan: The hon. member for Burnaby-Seymour has indicated that the fishermen could not get loans at 5 per cent. Apparently the interest rate is going to be a good bit higher than 5 per cent, perhaps 10 per cent or 15 per cent. Yet he says it will be a more favourable rate of interest. Why is he saying that? Why does he not tell the truth, the whole truth and nothing but the truth, that the farmers and fishermen are going to pay double for their loans, that the farmers and fishermen are going to be left out in the

cold? I say to the hon. member for Burnaby-Seymour: It is all very well for the Prime Minister (Mr. Trudeau) to go out on blind dates but we want the farmers and fishermen of Canada to know what they are going to pay for money.

I had no intention of speaking at length on this point. I just wanted to inquire as to the favourable rate of interest, and to ask the minister to give serious consideration to telling the fishermen of Canada exactly what are the benefits of this legislation and to what extent they can be assumed by the fishermen of the Atlantic region and the rest of Canada.

Before sitting down, Mr. Speaker, I wish to point out that the hon. member for Burnaby-Seymour made reference to the 3½ per cent interest loans which are available in Newfoundland, money which he said is being made available by the federal government—

An hon. Member: By the provincial government.

Mr. Lundrigan: —apparently made available by the provincial government but coming from the federal government. I think he made the observation with respect to this little province off the east coast of Canada that it is surviving only as a result of the munificence of the government of Canada. I think that was the observation he made.

Mr. Perrault: May I ask a question?

Mr. Lundrigan: Mr. Speaker, I would prefer—yes, ask any question.

Mr. Deputy Speaker: Order, please.

Mr. Perrault: On a point of order—

Mr. Deputy Speaker: The hon. member will resume his seat, please.

Mr. Perrault: I am stating my point of order.

Mr. Deputy Speaker: Would the hon. member resume his seat? The hon. member has the right to ask a question of the hon. member for Gander-Twillingate and that hon. member has the option to refuse. If that is what the hon. member for Burnaby Seymour stood up to do, I take it that the hon. member for Gander-Twillingate has refused to accept a question.

Mr. Lundrigan: Not at all, Mr. Speaker, I would never refuse such a request from my hon. friend from British Columbia.

Mr. Perrault: Mr. Speaker, a number of remarks have been attributed to me which clearly were not uttered by me. I simply suggest to the hon. member that if he is going to engage in the debate he should not feel it necessary to misquote. The hon. member should not misquote me. My point related to the amount of aid received by Newfoundland. The reference was made, Mr. Speaker, that I said in my remarks that somehow the federal government was supporting the province of Newfoundland and providing all the aid down there. That is an incorrect account of what I said and I made no such suggestion. I simply ask the hon. member to be factual.

Mr. Lundrigan: I hope the hon. member from B.S. is not asking me—

Some hon. Members: Oh, oh.

Mr. Lundrigan: —to make a ruling on that. I would not presume to assume the awesome responsibility of the Chair. The hon. member indicated that there were amounts of money available at 3½ per cent from the Newfoundland Fishery Loans Board. This is correct. However, I would just like to say I have had occasion to write to that board on behalf of a number of people who have been hoping to expand their operations through the use of larger craft, better fishing gear and so on, but the reply I got was that there is no money available from that board. The source has dried up. There is no money available because no moneys are forthcoming from the source, whatever it was. The hon. member says it was the federal government. There has not been any money for six months and there is a good indication that there will be none this year. At least, that is the information I received as the result of my inquiries, so I think the person who is really out of order is the hon. member from B.S. and I think he ought to make this correction the next time he stands up in his place.

Mr. Deputy Speaker: Order. I would request the hon. member that in future when referring to a riding he refer to it by its proper name. It is my duty to inform the house that if the minister speaks now he will close the debate.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, from listening to members on both sides of the house I get the impression that in the main Bill C-151 is a necessary piece of legislation. While they are less than ecstatic about it, and there are aspects of the

bill which do not appeal to everyone, nevertheless we have support from all corners for the referral of the bill to the Standing Committee on Fisheries and Forestry and its passage into law.

In winding up this stage of the debate I would like to make a few general remarks. This is essentially background legislation. Loans will be available to fishermen across Canada under conditions which will be acceptable to our major commercial lending institutions. One of the provisions in this bill changes the ground rules in such a way as to make loans of this nature attractive to the banks, credit unions, trust and loan companies and insurance companies. In other words, loans will begin to flow again to fishermen.

I mentioned background legislation. The loans available under this legislation are not attractive in all parts of Canada because in certain areas provincial governments, through their own departments, agencies and boards, make money available at even lower rates of interest. In those parts of Canada where a fisherman can get a better loan from a provincial board, in other words, a more favourable loan from the provincial authorities, he will do so, and he will only fall back on the federal legislation if he cannot get this provincial loan. If the provincial loan fund has dried up, as it does occasionally, then he has to fall back on the Fisheries Improvement Loans Act, our federal or national legislation.

On the west coast of British Columbia where the greatest advantage has been taken of this federal legislation there is no provincial loan board, no direct loans available from the province. That is the main reason why this act is used to a greater extent in British Columbia than it is in the Atlantic region. Nevertheless, it does make sense for the national government to draw up legislation which applies uniformly across Canada. If the provincial governments in particular areas want to outdo our national legislation and introduce other legislation which is even more attractive—in this case for the fishermen—this is within the competence of the provinces to do so, and of course a background piece of legislation, a national piece of legislation which applies uniformly across Canada, is not likely to be fully operative under those circumstances.

There has been considerable comment about the level of the interest rate. The interest rate is a rate which will be determined from time to time. It is an interest rate which cannot be forecast with certainty. However, it is an interest rate which would be in the order of 7½ per cent now if these proposed amendments were law and the Fisheries Improvement Loans Act were operative with the new clauses which are being introduced in Bill C-151.

The 7½ per cent interest rate would be arrived at as follows: the long-term borrowing rate of the federal government in a recent period, say four months, would have been 6½ per cent, and fisherman taking advantage of this legislation could not be asked to pay a rate of more than one per cent above that. In other words, it could not be more than 7½ per cent. This 7½ per cent figure must be viewed in the context of all other interest rates. The largest and most influential companies in Canada today pay about 8 per cent. So this rate is a little better than the large corporations can do. It is better than the interest rate which a large corporation would pay for a new long term loan.

• (3:50 p.m.)

This support for an individual fisherman, this exceptional support from the people of Canada lending their collective financial credibility to him, causes his credit rating to rise because it is backed by the credit of Canada. If he went to the Industrial Development Bank at the present time to get a loan he would be asked to pay 8½ per cent. So he is better off than large corporations at 8 per cent and he is better off than companies paying 8½ per cent to the Industrial Development Bank. The new rate is certainly better than the 12 per cent he would have to pay if he obtained a personal loan secured only on the basis of his own assets or individual prospects. So he has a very good deal.

The fisherman will be able to obtain a loan in an amount up to three-quarters the cost of a new boat, new electronic equipment for the boat or a new shore installation. He will receive 75 per cent of his total investment at a rate which is better than that at which most other people can obtain money in Canada. This is a privilege which is extended to all the fishermen of Canada just as it is available to all the farmers of Canada. Those two groups have this special opportunity.

The 7½ per cent rate will be in effect as long as the cost of money to the government of Canada is 6½ per cent. If the pressures of inflation die down and the government of Canada or the people of Canada can borrow money at 4 per cent or less, this act will

automatically bring the ceiling down to 5 per cent or less. If the government of Canada some day in the future can borrow money at 3 per cent, then loans to fishermen will be available at no more than 4 per cent. If the government can borrow at 4 per cent over any period of months, then the fishermen will be able to obtain money for less than 5 per cent, and so on.

This interest rate is part of the general rate structure. As interest rates rise this rate will rise and as interest rates fall it will fall. It will always be a preferred rate relative to the rate large corporations would pay and certainly will be preferential over the rate at which small companies might borrow from the Industrial Development Bank and the rate which most small commercial establishments would have to pay on loans made through a bank or other commercial lending institution. This is good legislation in the sense that it gives preference to the fisherman. It gives a preference to him in the sense that he will pay less for money than he would otherwise have to pay.

There are only a few other points on which I should like to touch. There is the question of the maximum loan which can be granted. This was raised by the hon. member for Burnaby-Richmond (Mr. Goode). This was the reason I asked one of the members what the amount would be that a fisherman would need to finance a new vessel. I would like to know what it would cost a fisherman today to finance a new longliner on the east coast, for example, or a new halibut boat on the west coast. Would the amount be $10,000 or would it more likely be $30,000, $40,000 or $50,000? If this is the amount of money a fisherman must have in order to equip himself with a new vessel including all the necessary electronic gear and so on, then we should consider a ceiling higher than the ceiling of $10,000 which has been in effect since 1965. This, however, is a matter on which we can obtain expert opinion and evidence when the bill is before the committee.

Several members have asked why these loans are not used more. In the Atlantic region, generally speaking there is provincial legislation under which loans are available at lower interest rates than are available now from private lenders. Also in some provinces there are direct grants available as well; in other words, interest-free money which in many cases is given and forgotten by the province. The lender in all these cases is the provincial government. One can perhaps make a case for direct loans by the federal government but we are not discussing direct loans today. We are discussing loans made available by private lenders with a federal government guarantee. This is parallel legislation to the Farm Improvement Loans Act.

I do not think there are any other points on which I should dwell now because we should get this legislation before the committee where I am sure all interested members will do their very best to improve it from the fisherman's point of view.

Mr. Marshall: Mr. Speaker, I wonder whether the minister would allow one question?

Mr. Davis: Yes.

Mr. Marshall: I have had occasion to relate to the inshore fishermen in the forsaken settlements that these loans are available and have asked them whether they have tried to obtain them. It would appear that the culprits are the banks. The banks will not grant the loans because they do not feel these fishermen are good risks. These are the people who are losing out in respect of the benefits of this legislation. I wonder how this might be overcome and whether the minister would consider overcoming this.

Mr. Davis: That is a very good question. The private lending institutions principally are banks. The banks do not have as many outlets in some of our Atlantic provinces as they have in Ontario or throughout the west. This is one deficiency. Also the credit unions, insurance companies and so on have fewer outlets, especially in the outport areas, for instance, of Newfoundland. So we do not have the offices we would like to have particularly in areas where small loans of this nature are badly needed.

I think also that we have fallen down rather badly in the sense that the literature describing these loans has not always been available. I understand it has been available on the counters in some of the banks, but I think these loans would be pushed only in areas where the bank manager, for example, felt that he knew something about the prospects of the fishery and of the individual fisherman. I believe the Department of Fisheries should take the responsibility of making this literature more attractive, more understandable and readily available particularly in areas where none of these institutions exist but where perhaps by correspondence or by a visit once in a while a fisherman might be

able to go to a centre and obtain a commercial loan. This is a commercial loan with a federal government guarantee and there is a role for this although perhaps in areas where the provincial government feels it wants to give an added push to the industry it will not be as attractive as it would otherwise be.

Mr. Comeau: Mr. Speaker, would the minister permit another question? As the minister will note from my speech, I support this legislation. Would the minister agree that the fact that loans under this act are not used as much as they might be is not because of the lower rates the provincial governments are offering but because the maximum limit is higher under most of the provincial loans. The minister asked how much a longliner would cost. A boat builder informed me that the cost would be in excess of $1,000 per foot. This is an approximate figure. This means that a 60-foot boat would cost in excess of $60,000. Therefore a $10,000 limit will not do the trick.

• (4:00 p.m.)

Mr. Davis: I agree with the comment and I agree also that if we are endeavouring to upgrade the fishery we should be going into bigger, multiple purpose boats. This bill names the maximum loan which any of these commercial institutions may make available to an individual, but the actual amount is still at their discretion. We would want as large a proportion of the total cost of financing under these preferable conditions rather than under commercial conditions with no federal guarantee.

Mr. McGrath: Mr. Speaker, I am sure the minister is aware of the record of this legislation in the province of Newfoundland by comparison with the province of Nova Scotia. I do not have the figures in front of me, but since the inception of this legislation in 1955 the province of Newfoundland has only had 18 loans totalling $23,000. I am sure the minister recognizes that the need in Newfoundland is as great if not greater than in any other province. What steps is the department taking to correct this situation in order to make the benefits of this legislation more available to the fishermen of Newfoundland who so badly need them?

Mr. Davis: That is a difficult question to answer. This legislation is national; therefore its terms must be national. There is no preferential clause dealing with any particular region as opposed to others. I think we would have to consider other sources of credit to deal with specific situations under specific programs, for instance, the specific program relating to the salt fish industry which, as it happens, is confined largely to Newfoundland, or a somewhat broader one confined almost completely to the Atlantic region, the groundfishery program. It is under more selective programs of this nature that we could provide aid to certain regions to focus on regional problems or areas which the hon. member is concerned about at this time.

Mr. Crouse: Mr. Speaker, following the passage of this legislation would the minister consider the preparation of a special brochure which could be provided to the banks and other lending institutions mentioned in the bill in order that they might be available in these institutions to Canadian fishermen? In my opinion there has been a grave lack of communication between the minister's department and the people concerned. It is obvious from the number of loans made that fishermen are not aware of the amount which may be borrowed. I should like to ask the minister whether he would give some thought to making brochures available to these institutions so they could be on public display.

Mr. Davis: I think the brief answer is yes. The Department of Finance circulated a brochure describing the Fisheries Improvement Loans Act. It was distributed through certain banks and only available in certain branches where there was a local manager who knew something about fisheries. Perhaps through the fisheries department and in other ways we could get out more attractive literature to be distributed through more channels and, effectively, to many more fishermen. I think this could be done within the present budget of the Department of Fisheries. No doubt we could switch the emphasis from one program to another. I agree we need more advertising of this kind.

Mr. Harding: I am interested in the small number of fishermen in certain areas who have been availing themselves of assistance under this act. I have listened with a great deal of interest to the suggestions which have been put forward. Would a number of loans be rejected in some areas because the applicants were not good risks? Does the minister have any record of the number of applicants who have been turned down? Would a number of rejections result because the applicants were not good risks under this act?

Mr. Davis: The experience so far has indicated that a fisherman is an excellent risk. On the record at least he is a far better risk than a farmer, and a far better risk than a student under the student loans program. The figures I have seen in our annual reports indicate that a small fraction of 1 per cent of fishermen fail to make their payments on schedule. There was another aspect of the hon. member's question which I am afraid has slipped my mind.

Mr. Harding: Has the minister any record of the number of applications rejected or turned down?

Mr. Davis: No, I have not. However, because the government stands behind the loans I would have thought that individual bank managers would look with much greater favour on applications by fishermen. There is a question of commercial judgment involved here. Over and above the minimum guarantee which is set out farther on in the act, there is a risk. There has to be an assessment of an individual and his ability to pay the loan. But one must remember that the federal government does stand behind these loans up to a substantial amount.

Motion agreed to, bill read the second time and referred to the Standing Committee on Fisheries and Forestry.

VETERANS LAND ACT

AMENDMENT SUBSTITUTING RATE PRESCRIBED BY GOVERNOR IN COUNCIL

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs) moved the second reading and reference to the Standing Committee on Veterans Affairs of Bill C-152, to amend the Veterans Land Act.

He said: Mr. Speaker, it may not be necessary to speak at any length on this bill as hon. members are familiar in general terms with the Veterans Land Act. Perhaps I should mention that since the act became effective in 1942, some 117,000 veterans have taken advantage of its financial assistance to establish themselves on farms or small holdings. The total investment of funds for that purpose has amounted to $911 million. At the present time the department has approximately 56,000 active accounts representing an investment of $438 million. These figures clearly demonstrate that the V.L.A. has been a major factor in the re-establishment of Canadian veterans.

The purpose of the proposed amendment in this bill is to provide that certain interest rates charged on moneys lent under the Veterans Land Act may be prescribed by the Governor in Council instead of being fixed by statute. Hon. members are well aware that interest rates in the general economy of the country fluctuate from time to time and have in recent years been somewhat above the long term level.

At the present time the V.L.A. has three different rates, two of them fixed by statute and the third prescribed by regulation. The rate of interest on loans up to $6,000 was established in 1942 at 3½ per cent which was close to the cost of money at that time. For loans over $6,000 and under $20,000 the rate of 5 per cent was fixed by statute in 1954. For farm loans in excess of $20,000 the rate is determined by the Governor in Council and since 1964 has been related directly to that charged under the Farm Credit Act. This third rate is currently 7¾ per cent.

• (4:10 p.m.)

The effect of the proposed measure would be to transfer the rate for loans over $6,000 and under $20,000, which is now 5 per cent, from a statutory to a regulatory basis. It will permit the rate to be established from time to time by the Governor in Council. Hon. members will recall that the house recently considered a measure to amend the Farm Credit Act so that the interest rate under that plan might similarly be prescribed by regulation. The principle in both cases is the same. Following enactment of this measure it is the intention to apply the same interest rates for V.L.A. loans over $6,000 as those that are applied from time to time for the whole amount of loans under the Farm Credit Act.

I should like to emphasize that this measure will not affect the 3½ per cent rate on the repayable portion of V.L.A. loans up to $6,000 under part I of the act. This rate has been unchanged since 1942 and will remain on a statutory basis as at present. The conditional grant paid for ten years continued occupancy of the house by the veteran will also remain unchanged. The government recognizes the special position of veterans and regards the benefits outlined in the Veterans Charter as an entitlement for war service in War II or the Korean forces. Part I of the Veterans Land Act is one of these benefits included in the Veterans Charter. Therefore, although the 3½ per cent rate is now substantially below the cost of long term money, veterans who

are established in the future will continue to receive this benefit.

Under the new arrangement the veteran borrower will pay 3½ per cent on the part I portion of the loan and a rate fixed by order in council on the remainder. It will be seen that the average of the two rates will vary with the total size of the loan. For example, under the provisions of the bill a newly established smallholder who obtains approval of an $18,000 loan with interest at 3½ per cent and 7¾ per cent would pay an average rate of 6½ per cent on the repayable debt of $14,000. Similarly, a veteran being established as a farmer and obtaining the maximum loan of $40,000 with a repayable debt of $37,200 for a period of 30 years would in the present circumstances be charged an average rate calculated at 7.4 per cent.

I might mention that the new rates will not affect applications received before September 13, 1968, and applications received after that date and approved before the coming into force of this bill will also fall under the old rates. Existing contracts remain unaffected. If, however, additional loans are approved after the bill becomes law, the new rate will apply but only to the amount of the new loans.

The preservation of the statutory 3½ per cent rate on part I loans produces an average rate which is materially lower than the interest rates paid for other kinds of mortgage loans. This in my view should be acceptable to the veterans of Canada because it maintains their preferred position in obtaining financial assistance under the act. I therefore trust that Bill C-152 will be referred to the Standing Committee on Veterans Affairs for detailed study.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I welcome the introduction of this bill for second reading, not because I am happy about still another proposal to raise interest rates, something which has become a way of life under this government and its just society, but because I see at least a faint ray of hope that possibly the government is taking a first step toward making more money available to make the thousands of approved loans that are now pending. We have heard from various ministers as they have piloted bills through the house the cry that unless interest rates are increased the money market is just not interested in making loans. I do not wish to become involved in this argument; it has been thoroughly discussed in the past few months.

[Mr. Dubé.]

I was surprised when last evening I saw the hon. member for Winnipeg North Centre (Mr. Knowles) rise to speak on the fisheries bill. I wondered just what his interest in fisheries could be unless it was something to do with Winnipeg gold-eye.

Mr. Knowles (Winnipeg North Centre): I could make the same speech today.

Mr. Thomas (Moncton): But he had not been on his feet very long when I realized the purpose of his remarks. I think he summed up the matter very nicely when he said that we have had a proliferation of bills brought in by the government in the past few months, the farm credit bills, the fisheries bill that we have just finished discussing and now the Veterans Land Act measure, and have now reached th point when any one of us could rise and talk on any of these bills just by repeating speeches already made. This is so because essentially the only thing these bills are designed to do is increase interest rates.

However, I would point out that in this case there is a fundamental difference. The money involved in this bill is not dependent upon the vagaries of the commercial market. The money with which to finance loans under the Veterans Land Act comes from a fund set up by the government at the time the act was amended in 1965. The amount was then established at $380 million and last year it was increased to $530 million. This is the limit of the fund and when it is reached no more loans can be made, regardless of interest rates. Therefore this proposal to raise interest rates will do nothing to increase the money available for loans under the act. It might make the Treasury Board a little more willing to increase the money available. If this should be the case we will at least have done something for the veterans who are in desperate need of housing.

At this point I would emphasize that I am not accepting the premise that there should be no subsidization of loans to veterans. I do not agree that the veteran should pay the full interest rate. This question will be discussed at length when the bill goes to committee. I would also remind the minister, as so many of his cabinet colleagues have been reminded by this side of the house, that the method of determining the rate of interest should be more clearly defined. Under this bill the rate of interest can be determined by the Governor in Council. But how? This is not spelled out. I know that the Minister of Veterans

Affairs (Mr. Dubé) said that it would probably be the same as that applied under the Farm Credit Act. But this, as we have discussed many times on these various bills, is not good enough. I suggest that when this bill comes before the committee a definite formula for setting interest rates should be established.

• (4:20 p.m.)

I think the house should have some assurance from the minister that if this bill passes the Treasury Board will then take steps to provide more money for the director, raising the ceiling of the fund if necessary. We do not want a repetition of 1968 when funds for loans to veterans were limited to about 35 per cent above the previous five-year average. As a result of this, loan funds were exhausted by July in four out of the seven regions. Because of this the director was forced to defer 1,000 loans, amounting to $14 million, until 1969 funds became available.

At present over 150,000 veterans have established eligibility for loans, and it is estimated that from 30,000 to 50,000 of these will be established before the final cut-off in 1974. In testimony before the veterans affairs committee Mr. R. W. Pawley, Director General of the Veterans Land Act, estimated that this would require approximately $100 million a year over the next six years. So I plead with the minister to give us the assurance that once this bill goes through he will see that $100 million is available each year, or as needed. This is what the veteran expects; this is the action he deserves.

I am pleased that the minister saw fit to make no changes in part I of the act and has retained the 3½ per cent rate on loans under this section. When the resolution was presented to the house I, along with most people feared that the proposal would apply to part I of the act as well. This would have been a breach of faith with the veteran and would have met strong opposition from the Canadian Legion and from this side of the house. But this objection cannot be raised now, and I would therefore urge that the house dispose of second reading quickly and send this bill to the committee where it can be discussed fully and where any necessary changes may be made.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, members of parliament and the Canadian people have been taken in very badly by the Liberal government in the last two or three years, particularly the low income groups. A few years ago we listened to the then minister of finance indicate that if the ceiling on the bank interest rate were raised—I can well remember the argument—interest rates would probably level out at about 4 per cent, that we would destroy the secondary lending institutions such as trust companies, finance companies and other institutions, and that the prime interest rate would come down considerably below the 6 per cent ceiling. It is an indication of how little most of us know about finance and about the methods used in financing that we did not even realize we were being hoodwinked at that time. Since then we have been continually faced with increasing rates on loans under specific legislation.

I was very concerned when the interest rate on farm credit under the Farm Credit Corporation was raised because these were long term loans that were being subsidized by the government to enable farmers across Canada to upgrade their farm operations and make them more economic. The same was true of farm improvement loans. Farm syndicates were in a different category because there was no fixed interest rate on such loans and there was some merit in freeing it. The fisheries legislation we have just discussed is in the same category. Loans were subsidized to assist in upgrading the operations of fishermen, particularly on the east coast.

Now we are faced with changes in the Veterans Land Act. In my opinion it is a good thing that the Canadian people in 1945 decided, in establishing the Veterans Land Act, to use this method rather than the old soldier settlement scheme which was so badly abused by governments, and to create this charter in such a way as to permit veterans to establish themselves on farms with special advantages.

I sincerely congratulate the Minister of Veterans Affairs for having been able to retain part I where the interest rate stands at 3½ per cent for loans up to $6,000. I think this is a reward to those who gave up, if nothing else, several years of their lives in the service of their country. It seems there are not many people in the government who have sympathy for the veterans and their problems. Therefore I assume the Minister of Veterans Affairs should be congratulated for having been able to retain part I, especially in view of the fact that the government seems hell-bent on balancing the budget at the expense of the little people. High interest rates will certainly not be a help in this regard. We know that

when the government borrows money at 6½ per cent and then lends it to the veterans at 5 per cent there is a cost to the taxpayer, but we have some responsibility to the veterans. We established the 5 per cent interest rate when capital was being borrowed at under 3 per cent, and it seems to me that this will balance off so that the government will not lose much in this operation.

The Veterans Land Act has been operated very successfully, both by the present director and the previous one who sincerely believe in the principle of self-help for the veterans. The whole program has been a great success. It seems to me a great shame that we have not been able to maintain over a period of 30 years the same type of legislation for one veteran as against another. The cost of loans under part II and part III will probably run to 7¾ per cent.

Very recently we increased the interest rate on national housing loans which we now find are running as high as 9.58 per cent. It seems to me quite possible that before long loans under the Veterans Land Act, the Farm Credit Corporation, and our other fixed, long term, assured loans, will carry interest rates of 8 or 9 per cent as well.

The hon. member who just spoke suggested we should not discuss this bill at length on second reading but refer it to the committee. I am of the same opinion because it presents us with a *fait accompli* and there is absolutely nothing we can do about it. The government will need $500 million to meet its commitments and it will have to borrow. It will lend at an interest rate 1 per cent above its borrowing rate, which will mean a rate of 7½ to 8 per cent. We will have to borrow this money if we are going to make loans to the veterans and meet our commitments.

• (4:30 p.m.)

In my opinion there is nothing the committee can do about it; the committee can only muck around long enough to weaken the position of the minister in retaining the rate of 3½ per cent on the first $6,000. It seems to me there is nothing to be gained by sending this legislation to the committee or, indeed, by sending any legislation involving higher interest rates to committees. I think the country has been hoodwinked into believing we have really done something in the seven or eight bills we have recently dealt with, but we really have no influence whatever on their content in relation to interest rates. The rate is actually being set by the Minister of Finance (Mr. Benson) who determines the government's over-all policy, which is to produce a balanced budget regardless of where the revenue comes from.

As it happens, the funds necessary for these loans are not available from any other source. Take veterans established under the Veterans Land Act, for example. For many reasons, the only borrowing sources open to them are these government institutions. Parliament, in my view, has no say in regard to the changes which are taking place and there is nothing in this bill which warrants sending it to the committee. I would be prepared, and I think members of my party would be prepared, to waive consideration by the committee. The interest rate is a *fait accompli* and there is nothing else to be discussed. We took part in a discussion concerning the Veterans Land Act a year ago when we were told there was a cut-off of applications for benefit under the Veterans Charter. We know how many applications there are, we know the need which exists, at least approximately, and there does not seem to be much that we can change in this connection.

I think we should let the country know that the government is failing to honour its commitments. Some of those commitments were made, it is true, by people who have gone from this chamber. But the commitments with respect to the Veterans Charter were entered upon not by one party alone but by every political party in a non-partisan manner. The commitment was by the House of Commons, by the government as a continuing entity, and it should remain in effect as long as there is a need for the benefits of the charter.

It is a breach of faith, in my opinion, when the interest rate is changed—a rate which was obviously subsidized as a result of decisions by people who knew what they were doing and wanted to give some return to the veterans of Canada for the services they had rendered. We have reached a sad pass when we have to ask veterans to pick up part of the tab because we in Canada have not been able to keep our financial institutions in line with the needs of our people.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, to speak briefly this afternoon on Bill C-152, may I begin by drawing attention to the fact that when ministers speak in closing debates on bills with a similar provision they invariably suggest that the funds required by the people who need to borrow cannot be made available as formerly because

the terms are no longer acceptable to the major financial institutions. This bill is another indication that the money people are telling the government of the day exactly what to do and where to get off. I agree that the minister is to be congratulated on retaining a rate of 3½ per cent on that portion of each loan up to $6,000. I feel that in the other bills which have come before us consideration should have been given to a provision of the same kind, but there is nothing we can do about that now. Only time and elections will provide the answer.

There is just one point I should like to dwell on. How have we allowed ourselves to become so deeply involved with the banks and the finance companies? Every time we turn around we find the banks and finance companies telling us what to do. And up to now there has not been a government big enough to put these institutions in their place. In my opinion this country is run entirely by these financial institutions and it is high time we in parliament had a say, through the government, in setting interest rates.

How is it that these finance companies, and the banks especially, always show such huge profits? We have read the latest financial statements of some of the banks and we have seen that while interest rates are rising their profits are constantly increasing. No one argues that individuals who invest their money are not entitled to a fair return, but I submit that a fair return on investment means a rate of interest which the people of Canada can at least afford to pay. It is time the government did something about this and used a stick on these institutions.

Another question bothers me when I consider Bill C-152 and similar measures in which interest rates play such an important part. What are the financial institutions really contributing to the welfare of our society in general? Somehow they get money out of the people, lend it back to them at high interest rates, and up go their profits. It seems to me these institutions provide nothing tangible for the benefit of the society in which we live. We know that the farmers, the fishermen, the labourers of this country, produce food and contribute to the general well-being. I suggest that until real thought is given to our monetary system the people of Canada will have nothing to be proud of as far as our financial institutions are concerned. I have never seen anything produced in a bank or a finance company apart from reams of promissory notes, and the paper upon which these are written has been produced by a pulp mill which employs workmen to manufacture the finished product. There is no reasoning behind the system under which we are living.

Having looked at the bill before us and similar bills having to do with interest rates I can only conclude that our economic and monotary system is back in the stone age and that there is no hope of ever getting out of the hands of the money-lenders. This legislation is an example of what will no doubt become the order of the day under the present government. The provision allowing the Governor in Council to set interest rates means that the money interests will control everyone, including the cabinet.

I say that the money institutions are using the big stick on all those who stand in their way and that today there is no one in government big enough to stand against those who are hoodwinking the people into paying high interest rates. It is time the people realized what is happening to them. The people know there is something wrong. No one is representing the people of Canada in regard to legislation of this kind, and this is nothing to be proud of.

• (4:40 p.m.)

I suggest that any government that permits the destiny of this country to be cannibalized by the banks and other financial institutions is highly suspect. Ministers have to present bills to the house in a very embarrassing situation. If only they realized the facts they would not be so ready to stand up and tell us that nothing can be done about the situation, that rates have to be set by the Governor in Council because lending institutions are not prepared to lend money to those requiring assistance under present circumstances.

To add insult to injury, most of these acts provide for a one per cent surcharge for the cost of handling loans. Once again I suggest that this is regarded as another source of income with which to try to balance the budget, a budget that cannot be balanced under the system prevailing today.

I have already said that the minister has done well to keep the interest rate at 3½ per cent up to $6,000, but I would seriously urge him when he is alone—I realize he cannot do this when in cabinet—to consider the consequences of the legislation before us. The minister said that the interest is calculated on the cost of money to the government, plus one per cent. The minister is aware of the fact that there is no limit to N.H.A. rates and

other rates subject to control by the Governor in Council. The minister suggested that they might come down to 5 per cent but I believe this is nothing more than a myth.

The only thing this government has accomplished since it came to office is the raising of interest rates on every type of assistance to the people of Canada to improve social development. The implementation of the so-called 2 per cent social development tax was just adding insult to injury.

I should like to make my opinion on this matter very clear. It is high time that the cabinet took upon itself the right to determine the destiny of this country and removed itself from the hands of the moneyed interests.

Mr. Ross Whicher (Bruce): Mr. Speaker, we have just listened to a lecture on Canadian banking affairs. We have been told that the banks are really monsters. I do not have to stand up and protect the banks; they are quite capable of defending themselves. It just so happens that I had lunch today with the manager of one of the Royal Bank branches in Ottawa, and if my hon. friend cares to invest some money in any of these banking institutions they will pay him 6¾ per cent for his money tomorrow morning. I would simply ask the hon. member how he expects banks to lend him money at 5 per cent when at the present time they are paying interest of 6¾ per cent and as high as 7 per cent on their trust certificates.

My hon. friend suggested that the banks have not given anything to the economy of Canada, that they have not done a good job or produced any benefit. One thing they have produced for Canada is a whole lot of taxes: 52 cents on every $1 earned by every major lending institution of Canada either goes to Ottawa or to the provincial capital, whichever it may be. So I think they have given quite a lot. As a matter of fact, we should be proud of our banking system in Canada. None of them has gone broke, as happened in the United States not so many years ago. I suggest our banking system has led Canada forward a long way and that we should be proud of it.

To get back to the bill now before the house, I and I am sure many other government backbenchers are sick and tired of the sermons that are periodically delivered to us by members of the opposition in connection with the high cost of money. They blame the government for this. The present bank rate is

7 per cent. I should like to tell hon. members why it is 7 per cent. It is because the rate in the United States is 7 per cent.

As members of the House of Commons we might as well realize that so far as the financial world is concerned Canada is a mighty small pea in a great big pod. We have very little say in financial affairs. If my hon. friends, along with the rest of the world would get down on their knees and pray for an end to the Viet Nam War and if the war did end they would soon find the cost of money coming down not only in Canada but all over the world. Our United States friends are spending $30 billion a year on that particular mess in which they are involved. Money has to come from somewhere, and this is why the cost of money in Canada is so high.

My hon. friend also suggested that our veterans had been let down by this bill. Other hon. members have said the same thing. As a veteran of considerable experience who spent a long time overseas I am proud of what the government of Canada has done for veterans. No other country in the world has done more for its veterans.

Although it is unfortunate that the cost of money is increasing in Canada, I nevertheless agree with the bill presented to the house by the minister today. The plain fact is that the current rate is a reflection of what money costs and the government cannot do anything about it. The only alternative is subsidization. I should like to ask my hon. friends whether they are suggesting that all citizens of Canada should subsidize the interest rates charged our farmers, people who want to buy houses under the National Housing Act, or our fishermen under the bill we have just been discussing?

Mr. Peters: That is exactly what we are saying.

Mr. Whicher: My hon. friend has answered the question; he says that they should be subsidized. What he is saying in effect is that widows on the back streets of Canada who are living on fixed incomes should subsidize our farmers, fishermen and veterans. I say that should not be so. I say that the cost of financing should be borne by those who receive the benefit of such financing, and this is what is being provided by the bill the minister has put before the house today. My only criticism is that I had hoped the bill could have been presented earlier so that our

veterans could have received sooner the benefits of this legislation which is so urgently needed.

Another point that my hon. friend raised in his sermon was that the banks and finance companies should be taken over by the government. What he is really saying is that we should confiscate the banks. I suggest that he is living in the wrong country, that he should be living in Russia. Although they may do such things there, we do not want that here.

Mr. Skoberg: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Béchard): Order. The hon. member for Moose Jaw is rising on a point of order.

Mr. Skoberg: I wonder whether the hon. member would permit a question?

Mr. Whicher: If it is an intelligent one.

Mr. Skoberg: That will be determined by the outcome of the next election.

Mr. Whicher: What about the last election?

Mr. Skoberg: May I ask the hon. member whether he believes that banks and other lending institutions should be controlled by government regulation in order to limit the maximum amount of profit to which they would be entitled?

Mr. Whicher: The answer to that question is very simple. In his speech my hon. friend suggested that there was a huge area of profit here. I challenge him right now to turn to the financial page of any paper, the Toronto *Globe and Mail* or any of the Montreal papers, and look at the price today of Royal Bank stock. If he does so he will find that he will make less than 3 per cent on his money. Is that too much? I do not think it is.

Mr. Peters: That is certainly not the record for last year.

Mr. Whicher: Not for last year; that is the record as of yesterday. I do not have to go back a year or two because I am quite familiar with the profits made by banks.

The Acting Speaker (Mr. Béchard): Order. The hon. member for Bruce has the floor.

Mr. Bell: Hurrah for the banks!

• (4:50 p.m.)

Mr. Whicher: Hurrah for the people investing in them. I believe there is no better way of investing one's money.

I congratulate the minister for bringing this bill forward. In common with all members of the house I am sorry to see interest rates going up. When I came back from overseas I was one of the first to take advantage of the Veterans Land Act, obtaining money at 3½ per cent. I wish all veterans could obtain money at 3½ per cent. Unfortunately, the only way governments can control the terrible plague of inflation is by having interest rates as they are. It is terrible to have to say that interest rates should be so disastrously high. No one could be more sincere than I am in hoping that they will come down in the near future. Inflation must be controlled, and our central bank can control inflation only by imposing high interest rates on the country.

Once again I congratulate the minister. Certainly I think all commitments to veterans have been met in Canada. The present bill offers our veterans an additional advantage which will enable them to obtain adequate housing.

Motion agreed to, bill read the second time and referred to the Standing Committee on Veterans Affairs.

AERONAUTICS ACT

AMENDMENTS RESPECTING DEFINITION, REGULATIONS, ETC.

Hon. James Richardson (for the Minister of Transport) moved second reading and reference to the Standing Committee on Transport and Communications of Bill S-14, to amend the Aeronautics Act.

He said: Mr. Speaker—

Mr. Knowles (Winnipeg North Centre): You had better be good.

Mr. Richardson: —I wish to present to the house for consideration Bill S-14, which deals with amendments to the Aeronautics Act. As hon. members know, this act regulates and controls civil aviation in Canada. Part I of the act is administered by the Minister of Transport and deals generally with the licensing and operation of air crews, aircraft and airports. Part II comes under the jurisdiction of the Canadian Transport Commission and deals with the licensing and operation of commercial air services. Part III applies generally to employees who are charged with the administration of the act and also deals with prosecutions for violations of the act and regulations.

I should like to describe briefly the main amendments which are proposed under this bill. Clause 2 of the bill would enable the Governor in Council to authorize the Minister of Transport, subject to conditions and in lieu of the Governor in Council, to prescribe changes for the use of facilities and services which are provided by the Department of Transport in respect of aircraft or departmental airports. For example, automobile parking fees at airports must now be established by an order in council. The amendment, however, would enable the Governor in Council to authorize the Minister of Transport to prescribe such fees.

Clause 3 of the bill would authorize the Minister of Transport to delegate to the Deputy Minister of Transport the former's authority to make orders prohibiting or restricting the navigation of aircraft over specified areas during certain periods of time. This is to accommodate military air exercises. To expedite the obtaining of the necessary prohibition orders the Minister of Transport would authorize his deputy minister to make these orders.

Clause 4(1) and clause 9 amend the definition of aircraft in order to exclude hovercraft from the Aeronautics Act, as hovercraft are being brought under the Canada Shipping Act by an amendment to that act which is now before parliament. Because of the manner in which hovercraft operate they cannot be controlled and administered efficiently under the Aeronautics Act. Although hovercraft employ a form of flight one can hardly describe a vehicle that hovers between 6 and 18 inches from the ground as flying. Hovercraft as well as air-cushioned vehicles constitute a special method of transportation and are dissimilar to aeroplanes in almost every respect. They operate in an environment that conventional aircraft do not operate in.

Clause 4(2) of the bill amends section 6 of the act in order to authorize the Canadian Transport Commission to issue temporary licences for commercial air services, an example being seasonal licences or emergency licences.

Clauses 5 and 6 of the bill amend certain sections of the act in order to make it clear that the powers of the commission are confined to part II of the act only. Clause 7 amends section 13, to clarify the power of the Canadian Transport Commission to make regulations of general application with respect to commercial air services. Prior approval of such regulations would not be required by the Governor in Council. However, it should be pointed out that subsection 2 of section 13 would give to the Governor in Council the power contained in section 53 of the Railway Act to vary and rescind such regulations.

Clause 8 of the bill includes provisions respecting proof of documents in order to provide that copies of documents purporting to be certified by the secretary of the Department of Transport shall be true copies of the original documents on record or issued by the Department of Transport and also that such documents shall be prima facie evidence in prosecutions under part I. This clause further provides that a certificate from the secretary of the Department of Transport stating that no licence or certificate has been issued by the department will also be prima facie evidence in such prosecutions.

Although the proposed amendments to the Aeronautics Act I have just outlined are necessary and desirable improvements to the act, none of the amendments alters the underlying basis of the act. I therefore recommend Bill S-14, to amend the Aeronautics Act, for the consideration of the house, Mr. Speaker.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I am afraid I arrived in the house too late to hear the minister's introductory remarks. It seems to me that in this bill the government is endeavouring to cure an omission in legislation which recently was the subject matter of litigation before the Supreme Court. I take it that is why clause 7 of the bill has been included. It seeks to cure that deficiency. I do not know whether the minister dealt with that deficiency in his introductory remarks. If he did not I hope he will do so in his remarks closing the debate.

• (5:00 p.m.)

I believe the bill in itself is indicative of a very unfortunate trend to enlarge the areas of rule by regulation. It provides almost unlimited powers, in this case not for the Governor in Council but for an administrative tribunal, to make regulations which are not even required to be submitted for approval to the cabinet. This is a very undesirable trend. I am speaking now of clause 2 of the bill, but more particularly I am speaking of the power which the bill, if adopted, will provide to the Air Transport Commission to make regulations without any requirement to submit them to the minister or to the cabinet for approval. It is an extremely undesirable state of affairs.

Here we have an industry, general aviation—I am not now speaking of the huge

international and national carriers such as Air Canada, and Canadian Pacific Airlines but of the industry in terms of the charter operators, both regional and smaller—which is going to be required to submit to regulations which may be made at the whim of the A.T.C. or a member thereof from time to time. It seems to me that this is a pretty untenable business proposition, quite apart from the suffocating atmosphere it imposes on the industry generally. It is completely wrong for a charter operator to be granted a licence under certain conditions which are imposed upon the licence at the time of its issue and then three or four months or perhaps a year or two later have the Air Transport Commission decide in its own wisdom that the conditions imposed upon the licence at the time of its issue are to be further limited. In this position a charter operator simply does not know where he stands from time to time.

One could go into specifics with respect to different classifications of licences that are granted but I do not think it would be helpful in a forum such as this. Suffice it to pick one example. Let us assume that a charter operator is given a Class A licence out of one of the major cities to operate a non-scheduled charter operation from that city. The restriction imposed upon the licence at the time of its issue might be that the operator will be restricted to the operation of one particular category of aircraft. Let us assume that at a later stage, a year hence, technological improvements result in equipment being available that is faster, safer and more comfortable than the type of equipment covered in the issuance of the licence in the first instance. If it wished the commission could turn a blind eye to such technological improvement and say to the operator: The existing limitation stands and this is all you are going to be permitted to operate. If the equipment happens to be a DC-3 at the time of issuance of the licence and jet improvements come along, so be it, because they may interfere with some other charter operator who may be in more favour with the commission.

I do not suggest for a moment that the commission has favourites, but nevertheless that kind of attitude could be adopted. What happens here is that the Air Transport Commission imposes its judgment on the operations of the carrier in place of what the carrier deems in its best judgment to be best for its business.

I know the reason for the legislation and that the desire of the Air Transport Commission is to see that the public interest is served at all times, but I suggest it is not going to be served by the commission having the power, as proposed in clause 7 of the bill, to change, bend and warp regulations as it pleases. It is an unlimited and most undesirable administrative power placed in the hands of well-meaning servants of the government on the Air Transport Commission, but nonetheless in the hands of people who in effect are making decisions for business that may not be in the best interests of business itself, decisions that may run entirely contrary to those which are taken by business. If the public interest is being served by an operator in terms of safety, comfort, speed and technological advancement, the decisions of those who made the investment which is providing that service should be the government criteria and not those of some administrative tribunal.

I believe the other amendments proposed in the bill are inconsequential, apart from their undesirability in terms of extending the regulatory powers of government and government boards. But the central and important part of this bill is the amendment about which I have spoken and which would cure a deficiency that became the subject of litigation before the Supreme Court. I believe that in attempting the cure the government may well find itself in a very difficult position in trying to control a creature which it has set up. I do not want to exaggerate because I know that the members of the Air Transport Commission at all times devote themselves to attempting to make their decisions in the public interest, but what is even more fearful about this amendment is the all-embracing, encompassing powers that are given to the commission with respect to the control and day-to-day operation and administration of the general aviation industry.

I hope the minister will deal with that aspect of the matter, and I hope that on second thought he will propose an amendment to clause 7 to pare down these rather extensive and, I submit, undesirable powers which the government proposes to give to the A.T.C.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I realize that we are on second reading of this bill, which does not allow for questions and answers, but the minister who is piloting the bill will have the right to speak in closing the debate, so perhaps I might use my right to speak for a

minute or two to put a couple of questions to him in the hope that he will speak at the conclusion of the debate and answer them if he can.

First, may I ask the minister whether it is under the provisions of this act that the government is able to exercise any control over the hours of pilots on duty? As the minister knows, certain questions have been asked about this matter in the house in recent days. I recognize that the Minister of Transport (Mr. Hellyer) said he wanted to get all the facts about the case in question before he made a reply to the house, but I put the question to the minister in these more general terms. Is this the act under which there is supervision over this matter and is the appropriate authority studying this matter in the light of modern conditions and in the light of the strains under which pilots work in modern aircraft?

• (5:10 p.m.)

I recall an incident some years ago in respect of which some of us felt that the crash, even though in that particular instance there was no loss of life, was due to the fatigue of a pilot who had been on duty for an excessive period of time. It is on the basis of that incident that I put this question to the minister and I hope he will answer it if he can.

The other question I should like to put to him would seem to be related to clause 3 of the bill. I suspect this is the type of clause about which the hon. member for Yukon (Mr. Nielsen) has been complaining in that it seems to put authority in the hands of a deputy minister rather than in the hands of a minister, board or commission. Nevertheless, it is being done. I note that it relates to the issuing of orders or directions prohibiting or restricting navigation of aircraft over specified areas. I would like to raise a general question, but I think the easiest way for me to do it, since in this instance one Winnipeg member is talking to another, is to say to the minister there are times when I have had complaints of more noise than seems reasonable from aircraft flying over Winnipeg.

It so happens, since the member for Winnipeg North Centre is speaking to the member for Winnipeg South (Mr. Richardson) about this the situation, that it is our two areas from which these complaints seem to come. It seems that the flight paths from the international airport at Winnipeg which go north and west do not bother very many people, but when an aircraft takes off from the airport and goes east right over Weston and the heart of Winnipeg North Centre the noise is a little hard to take. Also, when an aircraft takes off in a southerly direction over River Heights the people of Winnipeg South complain.

I should like to ask whether under these provisions an effort will be made to cope more effectively with this problem. I do not intend to stand here opposing progress and saying that we should not have modern aircraft because they are noisy, but things do have to be balanced and we must be concerned not only about the right of people to have transportation by air but also about the right of people on the ground not to be unduly disturbed. The question is general but this is what I have in mind.

If we were going into the committee of the whole stage I would have waited to put this question to the minister, but perhaps I can do it in this way. When he replies I hope the minister will answer my two questions.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, Bill No. S-14 entitled an act to amend the Aeronautics Act is designed to normalize certain administrative procedures since the Air Transport Board has been replaced by the Canadian Transport Commission.

The act now stipulates that the charges for the use of any facility or service are set by order in council. To my mind, that procedure is slow and the new bill grants the minister the authority to propose indicated changes according to the circumstances.

One of the clauses which, in my opinion, concerns a large part of our population, is clause 3 which authorizes the minister to delegate his powers, under certain circumstances, and to prohibit or limit air navigation over certain specific areas.

Should an area be threatened, and should it become necessary to suddenly prohibit civil air traffic in that area, the minister should, of necessity, have the authority to do so.

I also feel that the additional powers granted the minister, under such circumstances, would be absolutely normal, because the minister represents the government and, due to that, has absolute authority in a matter as important as aeronautics.

In an era when the number of air passengers increases very rapidly, it is imperative that our laws be revised regularly with a view to facilitating their application, and to ensuring maximum security to the users of

air services as well as to the crew of the aircraft.

Canadian laws concerning air transport are explicit, very strict, and a matter of special concern to the Canadian government. In spite of that, we have to deplore, from time to time, air crashes like the one which happened on February 7, 1968, at Vancouver.

The inquiry conducted by the Department of Transport at that time clearly showed that all the information requested before landing had been given to the crew. In this particular case, there seems to be evidence of some disagreement between the captain and the first lieutenant and of a conflict about the management of the craft.

The present bill is even more specific about a number of aspects of the Aeronautics Act. These changes have become necessary, because of the fast growth in recent years, of the air transport industry.

Other aspects will have to be reviewed in the future. There should be more concern about the number of hours the air crew have to work at a stretch and this should be subject to an inquiry by the Transport Commission. There is no blame involved here against the personnel or the Commission, but we should not underestimate the importance of ensuring the safety of both the crew and the passengers.

I am a layman in aeronautics, and so are other hon. members, and we should take the advice of experts on the question.

However, I think that the proposed amendments designed to provide the Minister of Transport with increased powers, can be accepted.

The legislation on aeronautics is not meant to inconvenience air carriers and their staff. On the contrary, it is meant to ensure the absolute comfort of passengers and crews.

The government has clearly shown its interest in the future of air transport each year by earmarking important amounts to improve or supplement present air transport facilities.

On the other hand, I am of the opinion that it is imperative for air carriers to provide the Transport Commission and the minister with all the co-operation that is expected from them so as to give the travelling public perfect service and the security they are entitled to demand.

[*English*]

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

NAVIGABLE WATERS PROTECTION ACT

AMENDMENTS RESPECTING DEFINITIONS, UNAUTHORIZED WORKS, ETC.

On the order:

Second reading and reference to the Standing Committee on Transport and Communications of Bill S-19, an Act to amend the Navigable Waters Protection Act.

The Acting Speaker (Mr. Béchard): Mr. Richardson, for Mr. Hellyer, seconded by—

Mr. Baldwin: Bring in another minister. You need two.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Mr. Nielsen: Where is your attendance register now?

Mr. Richardson: Mr. Speaker, in the interim I wonder whether I could refer to the comments which were made on the bill to amend the Aeronautics Act.

• (5:20 p.m.)

The Acting Speaker (Mr. Béchard): The house adopted the motion so we have to wait—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. The minister did have the right on the previous motion to speak in closing the debate. I happened to be called out to the phone when the debate ended and he did not reply, so I should now like to ask the house to permit the minister to speak and answer the questions.

The Acting Speaker (Mr. Béchard): Does the house give unanimous consent?

Some hon. Members: Agreed.

AERONAUTICS ACT

AMENDMENTS RESPECTING DEFINITION, REGULATIONS, ETC.

The house resumed consideration of Bill S-14, to amend the Aeronautics Act.

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I do appreciate this opportunity to thank the hon. members who took part in this debate and to answer some of the questions which were raised. I know that in respect of others we will have an opportunity to consider them in greater detail when the bill is before the committee.

The hon. member for Yukon (Mr. Nielsen) was primarily concerned with clause 7. I

should simply like to point out that this is not an unlimited administrative power as it was described by him. As I pointed out in my introductory remarks, although prior approval of these regulations by the Governor in Council is not required, the emphasis in new section 13(2) is on the power given to the Governor in Council under section 53 of the Railway Act to vary and rescind regulations. This is not unlimited administrative power.

The hon. member for Winnipeg North Centre (Mr. Knowles) spoke about the hours of duty of pilots, and of noise. These are matters of concern to us all. The first of these two subjects does come under this measure but the second, noise, does not. I do not think I should say more about them because actually we are not talking here about the whole act and neither of these subjects is a matter of amendment in the bill I have presented.

Mr. Knowles (Winnipeg North Centre): Would the minister permit a question at this point? What about the reference in the explanatory notes to clause 3 in respect of the powers provided for directions prohibiting or restricting navigation of aircraft over specified areas? Does that have anything to do with this problem?

Mr. Richardson: No, Mr. Speaker, that relates primarily, in fact entirely, to military areas and does not relate to the noise problems we have around big cities.

I should also like to thank the hon. member for Beauce (Mr. Rodrigue) for his thoughtful observations. Finally, I should like to conclude this debate, although I think we have given second reading to the bill—

Mr. Nielsen: Mr. Speaker, I rise on a point of order. In view of the precedent which has been established here I think we should give second reading to this bill once again.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

NAVIGABLE WATERS PROTECTION ACT

AMENDMENTS RESPECTING DEFINITIONS, UNAUTHORIZED WORKS, ETC.

Hon. James Richardson (for the Minister of Transport) moved the second reading and reference to the Standing Committee on Transport and Communications of Bill S-19, to amend the Navigable Waters Protection Act.

[Mr. Richardson.]

He said: Mr. Speaker, Bill S-19 which I should now like to present to the house for consideration has relation to amendments to the Navigable Waters Protection Act. I am certain that all hon. members recognize the importance of navigation and shipping as one aspect of our over-all transportation system. As its name implies, the Navigable Waters Protection Act was originally passed to protect Canada's navigable waters from man-made obstructions.

This act was first passed in 1882. Since that time it has been amended on a number of occasions, most recently in 1956. Changing circumstances and particularly the increase in the size of ships require that a number of improvements be made to the act. While I am speaking about the act as a whole in a general way, it might be worth while to point out that the largest number of applications for approval under the act relates to new bridges and repairs to old bridges, as well as to natural gas and fuel pipe lines, transmission lines and telephone lines. Usually these pipe lines or transmission lines are below the surface of navigable waters, but this act also relates to overhead lines which might block navigation. The other man-made works which are of concern are large dams, causeways, log booms and, of course, wharf and docking facilities of all kinds. In fact, anything that is built in the water that could interfere with navigation requires approval under this act.

The act when amended will be in three parts. Part one is concerned primarily with structures that have been designed for specific purposes. Part two is primairly concerned with obstruction to navigation which results accidentally or inadvertently as a consequence, for instance, of the discharge of solid materials by commercial concerns, which could sink in time to the bottom and become obstructions to navigation. This part of the act is also concerned with abandoned or derelict ships or barges which could become obstructions to navigation.

Part three is concerned primarily with ferry cables and swinging bridges. The amendments to the Navigable Waters Protection Act proposed in Bill S-19 are designed to bring the act up to date and make it easier to administer, and particularly to ensure that navigable waters remain navigable for the larger ships which are being constructed today as well as ships of shallower draft than

those which were in existence at the time the legislation was first enacted.

Perhaps I should emphasize that this is really one of the most important points of these amendments. Ships today are larger; therefore they take more water. They also move faster and therefore sometimes need a wider channel in which to travel. The regulations that were made for smaller ships do not apply or are not satisfactory for today's larger ships.

Some of the amendments which we will discuss are of a technical nature and we will have the opportunity to examine them in detail when the bill is considered by the standing committee. In presenting this legislation I should like to outline the highlights of the bill by referring to the more important amendments which I propose.

Clause 2 includes in the definition of a "work" the dumping of fill and any excavation of materials from the bed of a navigable water. In various areas of the country fill has been dumped into navigable waters without approval first having been obtained under the Navigable Waters Protection Act. The act as presently worded did not cover activities of this kind. Clause 3 establishes the time limit following ministerial approval for construction of any work. This will prevent any unnecessary delay in the construction of a work for which approval has been given. Section 4 of the present act makes reference to the over-all work not exceeding $5,000. The amendment which is proposed eliminates any reference to the dollar value of a work.

• (5:30 p.m.)

The reason is that since the act is concerned with the protection of navigable waters, interference with navigation should be the only test applied to the construction of any work and its monetary value should have no bearing on the matter. The amendment proposed will require that all works being built in navigable waters, regardless of their cost, will require approval or exemption. I might elaborate briefly and say that I understand one of the problems with the $5,000 figure was that there was often as much argument about whether the work was worth $4,000 or $6,000 as there was about whether it was an obstruction to navigation. Really, therefore the amendment is going to get at the main purpose of the act.

Section 5 of the act deals with the removal of unauthorized works and with approval of works already constructed. At the present time, if any work is built contrary to the provisions of the act the minister's alternatives are these: (1) to remove the work at the expense of the owner; (2) to give approval to it after a period of five years; (3) to allow it to continue to exist without approval. The proposed amendments to the act, in addition to the power of removal now contained in the act, would give the minister authority to order the owner to alter a work. That is the key change; the work now can be altered and does not have to be removed in total. If the owner fails to remove or alter the work, the minister would have authority to remove or alter it at the cost of the owner and to render the owner liable to a penalty recoverable upon summary conviction.

Clause 7 of the bill extends the authority of the Governor in Council to make regulations under section 10 of the act and provides for a scale of fees for temporary approval whenever immediate inspection trips are required. Provision is made also for a scale of fees for late application for approval; that is, of course, applications which have been made after construction has commenced or has been completed.

I would particularly like to point out that clause 10 of the bill amends sections 18 and 19 of the act. The purpose of the amendment to section 18 is to extend the application of the section to all persons. At the present time it applies primarily to saw mills. The purpose of the amendment to section 19 is to ensure that this section applies to tidal as well as non-tidal navigable waters, and to increase to 20 fathoms the depth of water in which no substance liable to sink may be thrown. The limit of the depth has been increased from 12 to 20 fathoms in order to protect the new, deep draught, bulk carriers now coming into use.

In clause 14 of the bill the penalties under sections 26, 27 and 28 of the act are being revised upward to provide a more realistic figure and to provide the act with more force.

As hon. members know, this bill has been considered and passed in the other place. I should point out also that it was referred to the Standing Committee on Transport and Communications of the other place.

I would like to conclude the introduction of this legislation by emphasizing that Bill S-19, to amend the Navigable Waters Protection Act, is primarily a bill to tidy up the existing legislation in this field. It does not include major proposals for change of either policy or

principle, but it is useful and progressive legislation and I recommend the bill for the consideration of the house.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, before I deal briefly with some of the proposals contained in this bill I should like to bring to the attention of the house a suggestion just made to me by my friend the hon. member for Yukon (Mr. Nielsen). He suggested that when the government is considering future proposals or changes to acts and regulations of this type, it might well pay heed to the fact that today rivers and lakes are used by aircraft. I know this question is dealt with in other legislative proposals and regulations but it is one that might well be considered further. I mention it because we have just finished dealing with a bill amending the Aeronautics Act. My experience in flying in the north over the last 35 years or so leads me to believe there are circumstances and places with regard to which navigation was thought of strictly in terms of vessels rather than aircraft when this act was passed.

There are two aspects of this bill that I want to very briefly bring to the attention of the house. The first is that the bill is carrying a step further the practice of this government of putting into statutes and bills more and more often the right of the government to act by order in council, to act by ministerial decree. This matter was referred to in the discussion on the bill with which we just dealt and it has been mentioned in connection with other bills. If one wanted to compile a litany of the proposals in which this very iniquitous principle can be observed, he would have only to examine the list of legislative proposals which have been presented to this house over the few months since the 28th parliament met in September.

I shall not detail the bills now because there will be another opportunity, perhaps more suitable and one when I shall be more in order to deal with the question. If one looks at the list of bills we have passed he finds that slowly, insidiously and with great care and planning there has been taking place the pleasant seduction of the twenty eighth parliament by the government seeking and being given rights which in many instances should belong to parliament. To some extent this is observed in the bill we are now considering. It may be nice to have a situation wherein the head of the government is showing to our fascinated eyes spectacular conduct, but while this is taking place and we are looking at what is happening there, parliament is being filched of its rights.

It will be my purpose before this parliament is over to detail in very considerable measure all the proposals in question from the beginning of the parliament to the end and the rights which have been taken away from us. I shall indicate where this parliament has given to the government, without any recourse, discretionary control over so many aspects of our life and society, but that must wait.

Having said that, Mr. Speaker, I would like to deal with this bill in the light of a particular problem that has presented itself in my area and indeed in the whole of northwestern Canada. I wonder just how effective the Navigable Waters Protection Act is, or can be, under certain conditions which prevail. Some years ago the government of British Columbia, the government of Canada and that of the United States were negotiating with regard to the use of rivers for the production and generation of power in British Columbia. They included the Peace River and the Columbia River. Proceedings had come to a standstill and the governments changed. At that time, the then secretary of state for external affairs, now the leader of the government in the Senate, in his desperate anxiety to see that this project went forward entered into what I believe to be a very reprehensible arrangement with the government of the province of British Columbia to permit an obstruction to be placed across the Peace River in breach of this act.

• (5:40 p.m.)

This has been a navigable river, to my knowledge and from reading history, since Alexander Mackenzie, the first white man to come down the Peace River, cross the Rocky Mountains and go overland to the Pacific. He came down the Peace River in 1791. An arrangement was made under which the province of British Columbia was allowed to place a dam across the Peace River in the vicinity of Hudson Hope. At that time I asked the minister of justice and the minister of public works, who then had responsibility for the administration of this act, whether or not what was being planned by the province of B.C. did in fact constitute the sort of work at which the provisions of the Navigable Waters Protection Act was directed. The answer was yes, it did. On a number of occasions I asked the then minister of public works, the hon. Mr. Deschatelets, now a very distinguished

member of the other place and who approached this in a very sincere way, whether any attempt was to be made to compel the province of B.C. to secure the consent which was required under this act.

I will relate this situation to the amendments which are now proposed as I develop my case. Despite the fact that the answers were always in the affirmative and that there was never at any time any suggestion that the damming of the Peace River and the related works for the purpose of generating power were not works to which this act applied, it was always admitted that no application was made and none was ever requested. I think this is a fantastic thing. I talk about this because I can recall the very last case which I had to deal with as a member of the bar. I was to appear for a farmer who had a small cattle ranch in the vicinity of Lesser Slave Lake. A very tiny creek passed through his pasture, so he fenced it in order to keep in his cattle. He got into an argument with the local federal department of public works officials who told him that while this was a small stream it was a navigable stream in the sense that there was a fisherman's boat a few hundred yards up stream. Three or four times a year this fisherman brought his boat downstream into Lesser Slave Lake. This farmer was a man of some principle, and he believed in fighting for what he thought was right. He opposed the position taken by the federal people. The matter went to the Exchequer Court of Canada and it was held, as of course it must be held under the act, that this was a navigable water. So, the farmer was compelled to take down his fence and pay the cost.

Three or four years later the province of British Columbia, because of the fact the then Secretary of State for External Affairs was ambitious to bring to what he hoped would be a successful conclusion these negotiations dealing with the erection of a power dam at Peace River, was allowed to completely disregard the provisions of this act. It was a flagrant violation.

I find that the new bill provides in one of its clauses that where a work has been placed without authority, the federal government may seek to have it destroyed or pulled down. I am not so bold as to suggest that this government would be able to do this, even if it wanted to tackle Mr. Bennet. There seems to be something about the provinces in either extremity of this country. Perhaps it is due to the fact that they sit on the beaches, look across the waves coming in and in this way acquire the characteristics of King Canute. They feel they can compel anything to happen, even the waves to go back. But for anyone to tackle either Mr. Smallwood or Mr. Bennet is quite an undertaking, and I do not think even a government dedicated to the just society would do this.

There is a change which is proposed here in clause 5 which reads:

> Where any work to which this Part applies is built or placed without having been approved by the Minister or is built or placed upon a site not approved by the Minister or is not built or placed in accordance with plans so approved, or having been so built or placed, is not maintained in accordance with such plans and the regulations, the Minister—

This means the Minister of Transport (Mr. Hellyer). The Minister of Transport is of course also a very determined man and I do not know what happens when an irresistible force tries to move an immovable body. If this clause means anything, then it means the Minister of Transport would be within his legal rights in making this request of the B.C. government. But we all know this is not going to take place.

Since the dam was completed across this navigable river it has created one of the largest reservoirs in the country, and possibly in the north American continent, flowing back to the Rocky Mountain trench and up and down it for several miles. It will be a tremendously large body of water. In the last two or three years an attempt has been made to fill the reservoir. As a result, every summer the waters of the Peace River have been exceptionally low. It has been a ghastly sight, for anyone who has seen the beauty of these northern rivers, to drive along the course of the river and see what has happened. It is predicted the filling of this reservoir will have disastrous effects, not only on the hinterland between the Rocky Mountains but where the Peace River enters into the Slave River. It will have serious effects on the water level of Lake Athabasca and the whole Mackenzie River system. This has been confirmed by statements made by people living in the Yellowknife and Great Slave Lake area. It is obvious to anyone who travels along the river and has seen what has happened. It is all very well for the officials of the federal government or possibly of the B.C. government to say that once the reservoir has been filled this situation will not recur.

However, it is not possible to make that prediction with any accuracy because if, during the course of the calendar year there is not the rainfall and snowfall which is required to provide enough water in the dam, then the water which will be released will not be adequate to provide the navigable aspect of the river which is so essential.

I use the occasion of this amendment, as I think I am entitled to do to bring this very forcibly to the attention of the government because it does not simply affect one town and a few farmers; it affects thousands of people who use the river. We hear about the proposal to explore and establish potentially commercially feasible oil development fields in northern Canada and northern United States. It is very likely that the whole Mackenzie River system will be dedicated in part to both carrying traffic into that area and possibly taking commodities out. I think it is tremendously important for this reason.

So I hope that because of these amendments, combined with the original legislation, the government will look at this very carefully. I have been in correspondence with the government, but it is quite obvious that the government's view is that the province of B.C. occupies the area and so far it has shown no willingness to give effect to the great number of representations which have been made.

● (5:50 p.m.)

I now suggest to the government in the face of this amendment and of the existing legislation that if this bill and the original act are to be considered as being of any value, this is a grave situation which must be dealt with both by the federal government and by the Province of British Columbia.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I listened with a great deal of interest to what was said by the previous speaker in connection with the Peace River. I, too, wonder just how effective legislation under the Navigable Waters Protection Act has been in providing protection for the rivers and waterways which it is supposed to control.

Many of the amendments offered in this bill are good ones, but I certainly endorse the words of the previous speaker when he complained about the increasing use of orders in council by governments in both the federal and provincial fields. In this case, of course, we are referring to the federal field. I notice that in clause seven, of which we have been given a brief explanation, there is one sentence which appears to be of significance; I hope it means what it says. I reads:

> The governor in Council may make such orders and regulations as he deems expedient for navigation purposes respecting any work to which this part applies.

Recently I encountered a problem, as did the hon. member for Peace River (Mr. Baldwin), in connection with this aspect of the legislation. I placed a question on the order paper and it was finally answered by, of all people, the Minister of Energy, Mines and Resources (Mr. Greene). As far as I could make out it had nothing to do with his department; it had to do with navigation along the Columbia River. I should like to pose the following question to the minister because it relates very closely to this bill: just who establishes, for example, the schedule of times at which locks in the Arrow Dam may be used? This is a simple question which a number of organizations in my area have been asking over the last four months. We still have not received a satisfactory answer from the government. I am confident that responsibility lies within the Department of Transport under this legislation. We have been given the run-around from department to department and no one seems to know just who is making the regulations, how they were made, when they were made, and for what purpose they were made.

The other day, in connection with this set of regulations, I asked the following questions:

> 1. Was the Columbia River at the site of the Arrow Dam open to year-round river traffic prior to the dam construction?
>
> 2. Is the operation of the lock in the Arrow Dam on a year-round basis and, if not (a) what is the present schedule (b) when was it put into effect?

The answer given to each of these questions was, yes.

Mr. Speaker, this is not correct information. The answers given to this house and to the public of Canada are not correct. The locks on the Arrow Dam are not on a year round sechdule. The schedule is drawn up, apparently, by the British Columbia Hydro Authority, and these locks are open from 8 a.m. until 4 p.m. on days other than holidays and weekends.

Need I point out that it is precisely at weekends and on holidays that the public wishes to use these locks to take boats into the huge reservoir basin above the dam. Yet

this is when access is being denied them. It is amazing to come here to Ottawa and find the department knows practically nothing about the setting up of this schedule, which, it appears, was drawn up by the Hydro crown corporation back in British Columbia. It makes one wonder what kind of hold the premier of British Columbia has on this government.

British Columbia Hydro pays the shot for the operation of the locks. I want to say here that the entire area below the Arrow Dam is concerned about the schedule and about the use of these locks. We shall not be satisfied with a four or five day week, and only limited opportunity to use these locks to reach the lake, some hundred miles in length, which lies above the dam. If the terms of the legislation before us will not permit anything effective to be done about this situation, I think the minister should take another close look as them.

I notice that a number of sections in the act have been changed. The Governor in Council is again given permission to exempt certain navigable waters from the terms of the legislation. It is in this connection, I presume, that the hon. member for Peace River is encountering trouble.

An hon. Member: Six o'clock.

Mr. Harding: I have other remarks to make on this subject. I see I have half a minute or so left. I notice the act is supposed to prevent debris getting into navigable waters and I presume this includes clearing. I do not know whether the house is aware that behind the Mica Creek Dam, in part of the huge lake formed there—

Mr. Speaker: Order. I regret to inform the hon. member that it is six o'clock and according to the standing orders I must now leave the chair. The house will reconvene at eight o'clock for the purpose of considering a motion under Standing Order 26.

Does the minister wish to ask a question or make a point?

Mr. Richardson: I wonder whether the house would give unanimous consent to complete second reading? I believe the debate is close to completion and there is a meeting of the Transport Committee tomorrow.

Mr. Speaker: Is there unanimous agreement?

[*Translation*]

Order, please. Does the hon. member for Champlain agree, as do the other members, that the discussion be continued until the house is ready to vote on the motion for second reading of this bill?

Mr. Matte: Yes, Mr. Speaker.

• (6:00 p.m.)

[*English*]

Mr. Harding: Then if I may finish, Mr. Speaker, I was pointing out to the department that I presume the reservoir formed behind the dams constructed along the Columbia river system would come under the act.

I want to make it clear to the department that the lack of clearing, for example, behind the Duncan dam is a national scandal. Here is a reservoir basin almost 30 miles in length, and the only portion that has been cleared is a little chunk that is three or four miles from the top of the hydro dam. North of that the situation is a national disgrace and is unparalleled in Canada.

I should not like to see the department exempt basins such as these from the terms of the act. Here is a reservoir basin that covers a much larger area than the original lake. For mile after mile debris is floating in the water; snags are protruding and will do so for generations to come.

The same state of affairs will exist in the reservoir basin behind the Mica dam, where there will be a lake 125 miles long. The plan of the present administration of British Columbia is to flood the greater part of this basin without clearing the land. Millions of feet of trees will be under water and debris will be everywhere. The initial plan called for the cutting through of navigable channels and for eventual clearing, but this will never come in my lifetime or the lifetime of many of the other members of the house.

Again I want to make it clear to the department that I am under the impression that responsibility for this sort of debris does come within the jurisdiction of the department. I think the department has an obligation to insist that B.C. Hydro and the government of B.C. do a proper job of clearing in these areas so as not to litter and clutter navigable lakes and waterways. I have been fighting this sort of thing in the province of British Columbia for years. In this day and age when the preservation of our national

resources is of such great importance it is a tragedy when a provincial government is allowed by the federal government to continue this state of affairs.

Although the opportunity will arise during committee stage to ask further questions, there is one other point I want to make before I sit down. The attention of the Department of Transport has already been drawn to the extremely high stumps just north of Nakusp, some ten feet tall, which will be flooded by the new lake. These will be very dangerous to small craft, particularly in stormy weather, when they may get holed when close inshore. This may result in some loss of life. Therefore I urge the department to check into this situation at an early date, because this coming spring we will see the flood waters of the Columbia river trapped in the Arrow reservoir. These high stumps will then be under water but will remain a potential hazard until the next low water, which will be almost a year later.

I believe that when legislation is passed it should be effective legislation. As the minister stated in his opening remarks, this act, which I believe he mentioned was put on the statute books in 1882, was designed to protect us from man made obstructions. I hope it does just that. Perhaps in his closing remarks the minister could tell the house why the new bill omits the provisions for the checks the Department of Fisheries used to make of navigable waters. For example, sawmills were not allowed to dump sawdust and other debris in the water.

The fisheries department made various checks to see that the intent of the legislation was being carried out, and as I say I understand that these provisions have now been eliminated. I should like to know whether some other check has been provided to take care of this sort of thing. Perhaps the need for this kind of check has disappeared, but I would certainly welcome an explanation in this regard.

[*Translation*]

Mr. René Matte (Champlain): I have only a few remarks to make, Mr. Speaker, to stress a few points.

Of course, some constructions undertaken by some individual owners may affect navigation. However, it is rather the exception when such constructions are undertaken by individuals. In most cases, they are works carried out by provincial governments or by municipalities. At this level of government, it is generally possible to get along with the responsible authorities.

I should like to point out some natural causes that may also affect navigation, as is the case in the Champlain riding.

• (6:10 p.m.)

The Champlain river which flows into the St. Lawrence between Champlain and Batiscan carries some deposits which sink to the bottom of the river. Indeed, it is often necessary to dredge it at that location.

On the western side of that river have already been built—I do not know if it is through the good offices of friends or others—some wharves which have deflected the course of the river, so that property owners on the other shore—whose property is also adjoins the river—have seen their land so extensively eroded, that it is now in danger.

I have asked the department to look after that case. I have been told that the government responsibility is about 25 per 100 and that they would be prepared to assume 25 per 100 of the cost of the works which have become necessary due to natural causes or navigation.

Now, it will be understood that if it is necessary to undertake some works, let us say of some $100,000, $150,000 or $200,000, it is impossible for small wage-earners who make $5,000 to $6,000 to undertake those works. Consequently, the 25 per 100 contribution offered by the government would compel the property owners along the shore to pay $75,000 in the case of works amounting to $100,000.

I believe that, in such circumstances, the government should assume the entire responsibility. It is very well for the engineers to decide—and perhaps at times some pressure is exerted on them—that such effects are only partly due to navigation. When navigation or merely natural causes, such as the flow of a river, are eroding the land, it seems to me that we should be more reasonable and help those who suffer those losses.

It happens at many places along the St. Lawrence river, and particularly in my constituency. Therefore, I would like those considerations to be taken into account, and if, as shown in the bill, we do not want anything to obstruct navigation, navigation or navigable waters should never, in any way, cause damage to the waterfront owners.

The owners cannot interfere with navigation, but the reverse should not take place either.

Mr. Speaker: If he speaks now, the minister will close the debate.

[*English*]

Mr. Richardson: Mr. Speaker, I wish to thank you and all hon. members for going past six o'clock and allowing this debate to be completed today. Considering the hour, I will, simply sum up by saying that I have noted carefully all of the points raised by hon. members. We will have an opportunity to discuss them in detail when the bill is before the committee. I would like to reply briefly to one point raised by the hon. member for Peace River (Mr. Baldwin). May I point out that B.C. Hydro did not apply for approval of the Peace River dam and the act contains no provision under which a province may be compelled to seek approval.

With the thought that we shall be discussing this bill in committee may I ask the house to give this bill second reading.

Some hon. Members: Agreed.

Motion agreed to, bill read a second time and referred to the Standing Committee on Transport and Communications.

Mr. Speaker: The time being after six o'clock, I do now leave the chair.

[*Translation*]

It being past six o'clock, I now leave the chair.

The house will resume at 8 p.m. to consider an adjournment motion under the provisions of standing order 26.

At 6.14 p.m. the house took recess.

[*English*]

AFTER RECESS

The house resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 26

GRAIN

ALLEGED PARALYSIS OF WHEAT MOVEMENT THROUGH VANCOUVER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Speaker: Order. Pursuant to standing order No. 26 the hon. member for Mackenzie (Mr. Korchinski), seconded by the hon. member for Dauphin (Mr. Ritchie) moves that this house do now adjourn.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I don't mind telling you that I feel somewhat like the man who had been tarred, feathered and run out of town on a rail but who said, "If it were not for the honour I would not be here." It is indeed an honour at any time to speak in this house, Mr. Speaker, but it is disgusting that I have to resort to this technique that we have developed in the form of a new rule, disgusting that I have to rise in my place in order to focus attention on the lack of activity on the part of a government that apparently is willing to sit by and watch a situation develop without raising a finger. This government has allowed a serious decline in our wheat sales and the economy of the western farmer has been so eroded that there is very little hope for them. A situation has been created that effects the over-all economy of the country.

There are many who apparently express annoyance at having to return to sit in this house tonight during what would normally be a free Wednesday evening. To them I make no apology. I merely make use of a rule that apparently everyone wanted. But it was not the rule that caused the situation. It was the government's paralysis that demanded the action I have taken.

Today at Vancouver harbour there are 33 vessels either berthed, waiting for a berth or waiting to be passed for loading, emphasizing the emergency nature of the situation. Yesterday the Minister of Industry, Trade and Commerce (Mr. Pepin) said the situation resulted from weather conditions and the unexpected growth of exports. This indicates that the critical phase was reached suddenly, so far as the minister was concerned.

There is no doubt what happened. It was the complete bogging down of transportation facilities. This represents a genuine emergency and because the estimates have been passed there is no other opportunity to deal with it. It is not my intention, however, to debate the new rule, but I would bring to the attention of the house the government's total failure to realize and acknowledge the seriousness of the situation so far as the economy is concerned.

Failure to deliver on wheat contracts will drastically affect the economies of both eastern and western Canada. We are now in a position where our customers are wondering whether we can deliver. This is the latest in the sad story of mismanagement.

It was not very long ago when we read headlines such as, "Japan Gives Wheat From

France Tryout." Earlier in the year, shortly after the strike of lakehead handlers, there was another headline, "Wheat Buyers Soon May Ask if We Can Deliver." That was in the *Financial Post*. Once a sale is lost it cannot be regained. One man's loss is another man's gain.

The James Richardson and Sons letter dated January 17 stated in part:

> The Japanese were also interested in 17,000 tons of Canadian wheat on their weekly tender but this was unavailable due to port congestion at Vancouver; they did take one cargo of Australian wheat.

That indicates that we have lost that sale. As I have said, one man's loss is another man's gain. Apparently the government is willing to go along with the present conditions. Apparently the government is not willing to accept its responsibility.

Let us review the situation. The Wheat Board sends out its salesmen and they make the sales. The Wheat Board is told when the customers would like the grain delivered. It knows the type of grain that is required. It receives notice several weeks in advance that certain ships have been nominated to deliver the cargo. It has ample time to check where the type of grain is that is required. After all, the Wheat Board invested in a computer. Then, the Board informs the railway companies that X number of cars are required to deliver certain types of grain at certain destinations. The railway companies then arrange and spot these cars, and deliver as requested.

But what has happened? As early as November 15 the Minister of Industry, Trade and Commerce announced in the house, with some satisfaction to all of us, that China was to take 58 million bushels of wheat between December and July, 1969. The Japanese market became available because the Japanese refused shipments of grain from the United States since that grain was tough and not suitable for milling. There was a ready market. We had the grain, if not from this year then from last year.

Southern Alberta, which is closest to the Vancouver harbour, has adequate supplies of No. 2 wheat. I understand that there is a demand at Vancouver port for No. 2 wheat, No. 4 wheat and No. 5 wheat. Again I ask, what went wrong? After all, the Wheat Board had acquired a computer and knew where the grain was. It is supposed to be more efficient now. Why send salesmen abroad if we do not arrange our own affairs to meet the customers' demands?

[Mr. Korchinski.]

• (8:10 p.m.)

The government refused to accept any responsibility for spoiled and damp grain. This is part of the problem. Its failure to act at the time of the strike at the lakehead is another part of the problem. Terminals were congested, and when damp grain was harvested the terminals were rearranging their space instead of being prepared to dry grain on a 24 hour seven day basis. This they did not do immediately. Why is there no dry grain at the west coast terminals now? Last fall the Wheat Board authorized a three bushel quota immediately for delivery of damp grain. There was a big rush by a few farmers who lived near elevators. They flooded the elevators and filled the available space. Fortunately, a few were able to deliver their three bushel quota. Many are still waiting to this date. Because of the rush to get grain through the terminals congestion developed. The situation should have been analysed. The Wheat Board should have opened a one bushel quota, have taken delivery and indicated what the capacity for drying was. Then, as more grain was required another quota could have been opened. The government kept dillydallying with their plans to assist in the drying of grain. We in the opposition kept telling the government the farmers were short of cash and could not dry grain.

Many farmers were deceived into thinking the Wheat Board would take all their grain when the three bushel quota was announced. They expected that by spring a six bushel quota might clean them out of damp grain. Many waited. They hoped that between the end of December and spring they would deliver at least another two or three bushels? What has happened? Nothing has happened since that initial flood. A survey on January 3 indicated that only 47 million bushels have been dried on farms. Yet an estimate indicates there are 350 million bushels of tough or damp grain on the farms. It is interesting to note why grain was not dry and why it was not available at the Vancouver terminals. I should like to quote from the Manitoba *Co-Operator* dated January 16, 1969. The article states:

> Of the 1,800 delivery points surveyed, 703 agents reported lack of availability of dryers in their area . . . too cold to operate dryers at 353 points, 210 agents said it was too expensive and 132 replied that farmers hoped to haul to country elevators or use the high moisture grain as feed.

My personal experience in my constituency, which has an abundance of damp grain, indicated there was no cash in the hands of the

farmers. So, they did not dry. The Saskatchewan government analysed the situation. In an article in the Regina *Leader Post* of December 20, 1968 written by the *Leader Post* staff there is a report about a proposed program of the Saskatchewan government. The article reads in part as follows:

> The proposed program would pay the full cost of fuel, either propane gas or fuel oil, up to the maximum amount used, based on receipts provided by the supplier of the fuel, in all cases where the farmer does his own drying of grain ... the plan proposes to pay 50 per cent of the cost assessed by the custom dryer up to the maximum cash payment with a limit of six cents a bushel.
>
> The plan would also set a limit of $300 total in payments to a grain delivery permit book holder—

And so on.

It was obvious to the Saskatchewan government there was a lack of cash. Obviously, the federal government wanted to wipe its hands of the matter and leave it alone. At the end of December the government finally realized there was a lack of cash and announced that a special loan would be made available for the drying of grain. That was at the end of December. Between sessions something happened. This is the seventh sitting day since we returned from the Christmas recess but the government has not even seen fit to give first reading to a bill that would allow special loans for drying. I, personally, asked the house leader when he might have a discussion with the Minister of Industry, Trade and Commerce (Mr. Pepin) and he replied that discussions are going on. My goodness, how difficult it is to get through to some ministers! Even if the bill were passed, some time must elapse before regulations and forms could be delivered into the hands of country elevator agents. This has been the case in respect of the cash advance proposal that was passed in this house early in June. This will happen again. Another month goes by and the Government wonders why there is not adequate dried grain at Vancouver terminals.

What has happened is another example of failure to plan and to foresee the obvious. When one realizes that the number of boxcars available for transportation of wheat is 1,000 below the figure for last year, it becomes obvious that the situation is one of slipshod management by the government.

An hon. Member: A hell of a mess.

Mr. Korchinski: You can say that again; if the Prime Minister (Mr. Trudeau) can say it you can say it.

Once again, wheat is piled high on the prairies; the farmers face an uncertain future. The minister makes excuses and the Prime Minister's only concern is about his extracurricular activities. If the Prime Minister devoted as much time to wheat as he does to dates we would not have this problem. Instead in Winnipeg he asked why we should sell wheat. He stated that it was the farmers' problem. This is the heart of the problem. The government just does not care. It is a hands off policy. Some call it laissez-faire; I call it lazy fare.

The government's policy has created a situation in which we now face the loss of contracts. It has been a catalogue of dismal mismanagement. I tell my N.D.P. friends, who are quick to oppose management at the drop of a hat, that the two month long strike last summer when the government sat in a state of rigid paralysis resulted in a congestion of grain which did not help. Last year the lakehead terminals shipped 373 million bushels compared to 356 million bushels in previous crop years. Last year Canada's sales volume dropped from 25 per cent to 20 per cent under this government's mismanagement. Further drops can be expected if this attitude on the part of the government persists. The following quotation is from the Montreal *Star* of November 6, 1968:

> Wheat and flour exports in the crop year ended last July 31 were the smallest since the 1959-60 crop year. They totalled 336,000,000 bushels against 515,000,000 bushels a year earlier.

Once again wheat is piling up on the prairies. The minister makes excuses. The government obviously is quite prepared to see things go by the board. What do we need? We need several things. We badly need a government that cares about the welfare of the farmers. This we do not have.

Some hon. Members: Hear, hear.

Mr. Korchinski: We badly need a minister who will take things into his hands and instruct the trade concerning what must be done. We need some kind of a minister. We had a similar situation before. When the Progressive Conservative party formed a government we had our problems. When the China deal was arranged we realized there were transportation problems. The transportation problems had to be faced. There was a shortage of facilities at the west coast. But we had a minister who was willing to act. At that time Alvin Hamilton was the minister. He called the trade together and set out the

problems. He obtained the assurance that the utmost co-operation would come from all, the railways, the terminal operators and the unions. It worked. There was no strike and deliveries were made on schedule.

Even Jack Pickersgill, the former minister of transport, tried his best to face up to the problem and see that adequate transportation was available. He called a meeting at Winnipeg.

• (8:20 p.m.)

The present minister does nothing but sit in the house, afraid to even venture to speak for himself. He has told us that everything is all right because God is on our side. It is time for the government to wake up. There is no co-ordination, no initiative, no desire to learn and no results. In the meantime we see headlines such as "Grain sales slow over holidays"; "Doesn't the government realize what is happening?"; "farm machinery sales show sharp decrease". This article indicates that sales have decreased in Saskatchewan by 21.8 per cent, in Manitoba by 18 per cent, in Alberta by 17.8 per cent and similar decreases for the other provinces. Does the government not realize how depressed the industry is?

I have another article which indicates that the average earnings of doctors in Canada in 1966 was $24,993; engineers and architects, $21,200; lawyers, $21,000; dentists, $17,200; accountants, $13,900; investors, $7,000 and other professionals, whatever they may be, $6,800. Even self-employed salesmen earned $7,600; business proprietors, $6,000; teachers and professors, $5,700; federal government employees, $5,600 and fishermen and farmers about $5,000. This is the situation, yet the government is quite prepared to lose markets for farm produce. What has happened to the leadership in this country? The Prime Minister goes off to London, treating his visit as a sort of honeymoon. What happened to his promises of 1,300 million bushels of grain sales in the next three years? Mr. McNamara expressed the fear—

Mr. Speaker: Order, please. I regret very much to interrupt the hon. member but according to the provisions of Standing Order 26 the hon. member's time has now expired.

Mr. Korchinski: May I say in conclusion, if the minister feels the job is too big he should resign.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I would say at the outset that the government has a serious responsibility to answer the question which has been put, and to indicate to this house how it proposes to deal with this very serious situation. It should indicate how it proposed to solve the grain marketing problem which affects not only western Canada but this country as a whole. If it will discharge that responsibility, then we should start to move this grain.

We, on this side of the house, have outlined actions to meet the situation which exists. We have done so on a number of occasions. We have pointed out the situation which was building up and stated on at least two occasions what could usefully be done. I suggest that the standing committee should meet with representatives of the Canadian wheat board to examine this matter and to determine what useful position could be taken.

The only answer we have ever been able to receive to our questions from the minister is that the officials of the wheat board would prefer to appear before the standing committee in March. Of course, if this is the minister's answer he is responsible for it and, I suppose, entitled to make such a decision.

On another occasion, I asked the minister whether he would consider doing what has been done before, that is appoint an individual to go to Vancouver to co-ordinate activities there. The minister said he had answered this question five times. I do not recall asking it five times, but apparently he answered it that often. He also said that he could not agree that a single individual should have all these problems dumped on him. I would hope that every crew on the west coast would dump its problems on such an individual. Perhaps if these problems were considered jointly we might find a way out of the impasse we have experienced. This might expedite the movement of grain.

Such a co-ordinator could meet with representatives of stevedoring firms, unions, wheat board officials and members of the board of grain commissioners and, last but not least, he could meet with railroad officials, because I am convinced some of the blockage exists there. He could impress upon them the seriousness of the problem.

Such an individual should be vested with the authority and confidence of the Minister of Industry, Trade and Commerce (Mr. Pepin) and could operate much more effectively than a committee or subcommittee. The government seems to be very strong in favour of committees and subcommittees, dialogue and

communication, but in this case what we require is some action.

Let me describe the situation briefly to the house. According to the information I have, 20 ships lay at anchor in the inner and outer harbours at Vancouver. I am told that 19 of those ships are waiting to load grain. Fifteen of those ships are waiting to load higher grades, particularly No. 2. A few ships which arrived in Vancouver in December have made new arrangements to load lower grades of grain.

I have also received information that ten million bushels of grain are loaded and on the way to Vancouver. Of this amount 5,500,000 bushels are No. 2 Northern. These figures may not be exact, but this is the general situation which exists at this time. I have also been informed that the type of grain required is not in position and that from 200 to 400 cars are being unloaded per day at these terminals on the west coast. Last Saturday these terminals did not operate because there were not enough cars. These terminals are capable of unloading 600 cars per day.

In spite of these figures, we are in a better position at the port of Vancouver than we were several years ago when a similar situation occurred because the new Saskatchewan Pool terminal, with its great capacity, is available for the movement of grain through that port.

• (8:30 p.m.)

If we look at the other end of the grain picture we see that at the lakehead there are in store 41 million bushels of grain. The total capacity of the storage facilities is 90 million bushels. No one has explained why that capacity is not being used and storage space remains idle. It should be filled. We should be moving grain into the lakehead for the purpose of ensuring that the dryers keep operating and the grain is stored until the summer months when the weather warms up and drying could continue.

Let us look at the car loadings picture. I will give the house the figures for a five weeks comparison as between 1968 and 1967. In 1967, in the five weeks from December 6 to January 3, according to the Board of Grain Commissioners we moved 28,696 carloads of all grains. In 1968 in the same 5 week period we loaded 21,311 cars with all grains. There is a difference there of 7,385 cars in a five-week period. I would like to know why we moved less grain this year than we did in a similar period last year.

It is important that we get the answers to these questions tonight. It is more important that action be taken to solve the problem. There are some extenuating circumstances in this situation. We all know there are large quantities of grain with which we have to contend. I expect that the Canadian Wheat Board has made additional sales as a result of the strike at the gulf ports of the United States. I expect that additional sales have been made for one or two other reasons.

However, Mr. Speaker, there is no reason why we should not meet these conditions. We must be prepared to meet such conditions when they exist. We should gear our transportation system so we can meet this kind of emergency and deliver the product that we have for sale. We on the prairies operate at the end of a long pipe line and it is absolutely essential that this pipe line operate efficiently. It is of little avail to tell our farmers to be efficient, which they are, and to operate on very narrow margins, which they do, if the rest of the grain-handling industry is not efficient enough to move its product to the market when it is ready to be moved. This is what we are talking about tonight, the efficiency of our transportation and grain-handling system.

I am reliably informed that there is dry wheat at inland terminals which has not even been moved to the west coast to meet this demand. We should be using unit trains and making an all-out effort to meet the circumstances that exist. The failure to plan adequately to meet this situation is evident. We are in a highly competitive world market. We have always lived with the situation of being in a highly competitive world market. We know that this situation exists. We have known since the Kennedy round negotiations were completed that we would be in a tough marketing and negotiating position. This was evident. No sooner were those negotiations completed than the Americans and the French were cutting prices and we were fighting for markets. This should have been an added reason for being on our toes and missing no bets whatsoever.

When one considers the situation that exists on the west coast and at the lakehead, one has serious reservations as to how well the job is being done. I speak as a farmer whose neighbors have grain stacked up on their farms and whose very livelihood and well-being depends on the grain being moved to the market and being sold. We are not satisfied with the answers we have received

in this house. This is one reason why I fully support the motion made this morning, namely, to have a full discussion on this matter. We have a cash advances program, but cash advances were not designed to move grain; they were designed to leave grain on the farms and to temporarily take care of the farmers while the grain stayed on the farm. The cash advances program is a temporary panacea; it is not a cure for anything. This program will not cope with the problem we face.

I am concerned about one aspect of this matter. We will have plenty of committees but not enough action. It is proposed that we have a National Grains Council. This will be a debating society. It will form more committees. Those committees will form subcommittees. We in this house will be trying to find out what the committees and subcommittees will be doing after they are formed. We do not need a National Grains Council; we need action. We need someone to put together the institutions and organizations we now have and make them work. We need co-ordination of the activities of the Canadian Wheat Board, the Board of Grain commissioners, the railroads and the elevator companies in order that this grain is effectively moved and sold. I do not wish to make light of the task that faces the Canadian Wheat Board or the Department of Trade and Commerce to which the Canadian Wheat Board is responsible. To some extent I know the nature of that task because at one time I sat on the advisory committee to the Canadian Wheat Board; therefore I have some knowledge of the task it faces.

However, Mr. Speaker, I am not convinced that an all-out effort has been made to solve the transportation problem. I am not convinced that an all-out effort has been made to move box cars to the west coast and the lakehead in order that grain may be moved out of this country. I am not satisfied that the job has been done effectively. I will be very happy if this evening the Minister of Industry, Trade and Commerce (Mr. Pepin), the Minister of Agriculture (Mr. Olson) or the Minister without Portfolio from Saskatoon-Humboldt (Mr. Lang) rises and convinces me that the job of transportation has been done, is in good hands and is going ahead. I would have more confidence if they had done what was done by a previous minister of trade and commerce in a Liberal government. In a similar situation he appointed a transport controller, the late Mr. Milner, and gave him the job of seeing that the railroads moved the grain.

[Mr. Gleave.]

• (8:40 p.m.)

I would be much more satisfied and much more sure that the job was going to be done.

In closing, I want to say that these are the essential things which I think should be done, that is the appointment of a controller to see that the grain handling agencies are co-ordinated and can do this job effectively.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, the motion which led to this urgent debate reads in part as follows:

> —I ask leave to move the adjournment of the house for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the virtual bottleneck and paralysis in wheat movement in Vancouver Harbour due to the failure of the government to work with the railways in scheduling box cars, leading to a situation which has already resulted in the loss of a $17,000 ton contract and which may result in the loss of others; which has caused damage and economic loss, since some ships have been tied up for as long as a month, paying demurrage charges as high $2,500 a day; which has brought about stagnation in the movement of wheat at a critical time for western farmers; and in connection with which the government, in the person of the minister yesterday, refused to take action.

A few years ago, we, of the Ralliement Créditiste, asked the Conservative government of the day to take emergency measures to build grain elevators in all Canadian ports to store the feed grains which the farmers of Eastern Canada need, and to prevent the type of situation we are now witnessing.

I know that out West it is often said that the quantity of feed grains used in Eastern Canada is very small, but I also know that it would have helped to relieve the congestion in the port of Vancouver had the construction of grain elevators been authorized in the East. Then, the bountiful crops of western grains could have been stored because in the East we use feed grains to feed the animals, even when the grain is damp or of inferior quality.

I had even suggested, in 1962, that we buy a ship to move the surplus grain in order to store it at Berthier-en-Bas, very near Quebec, as it is done in some countries when grain is plentiful and is stored for the more difficult years to come, this product which is essential for feeding our cattle which provide us with our daily food, as well as the grain of a superior quality in order to send it to those who need it to eat three meals a day.

Because the Conservative government of the day did not want to listen to the just requests of the official opposition—because we were asking for reasonable measures—the official opposition is forced to-day to ask for an emergency debate to advocate methods of insuring the export of grain, since the port of Vancouver seems to be congested. As I was asking then, grain elevators should have been built as far as the lower St. Lawrence area, that is at Baie Comeau, Sept-Îles, Rimouski, Rivière-du-Loup, Berthier-en-Bas, Trois-Rivières and even in the Saguenay area, in order to allow the people of the Lake St. John district to store the surplus grain of the western producers in a place where it would not be wasted. If this theory had been accepted, the problem would have been solved automatically.

When the Liberals took office, they suggested to appoint a Minister of Agriculture for eastern Canada who would have solved all those problems. If we must discuss today the problem of the accumulation of grain at the port of Vancouver, the difficulty to export grain to the countries that are waiting to get their orders, it is because a Conservative government did not want to see the situation in order to help our people in 1962, refused to keep its promises, like the present government that promised to appoint a Minister of Agriculture for the East, with a view to solving these storage and grain distribution problems.

I wish this emergency debate would last all night and would go on to-morrow because, according to the new rule, there would be no limit to the discussion. This has happened in England. I saw it also recently in Paris: the debate went on until 5 o'clock in the morning, on an important problem. I wish this discussion would last forever so that people would at last recognize that even if we, of the Ralliement Créditiste, are not listened to, we are still causing the voice of the people to be heard. It is the voice of truth, and it would be normal, for those on this side to lend an ear to it more often, so that they would know exactly what the people want.

I was expelled from the house in 1962 because I was demanding justice for the Eastern farmers and I was asking that the Western farmers be allowed to ship their grain to safe places so that it could be used one day by people who would need it. Victim of that unfair treatment, of that difficulty, and that humiliation, I am not at all ashamed, and I would not hesitate to do it all over again for the welfare of our fellow citizens. It is imperative at times that the truth be heard in this house.

In 1963, and in 1965, the then government made promises, and did so again at the last election campaign. One could read in the newspapers a statement which I compare with those I made in 1962.

I will quote this statement word for word to show that if equal distribution had been allowed across the country, we would not have all these problems that face us today in respect of grain accumulating in Vancouver and we would not even have to talk about the problem of distribution arising from the lack of cars, as for the grain to get there in time before harvest around September 15, for distribution across the country, space would have had to be found to store that wheat which might feed humanity tomorrow. In fact, if every Canadian got his fair share, as it should have been long ago, we would have prosperity and not all the present problems.

So, I shall quote this newspaper article showing, as I said, that we are asking for fair things not always accepted, even ridiculed at times, but which become realities after a few years of thinking. Here is what is said exactly in this article from the "Meunier Québecois" of December 1968:

> Truly, for some time, a lot of talk not to mention money has been wasted on the grain elevators in the Quebec harbour. We will not blame this one or that. We must consider the facts and judge positively. Is the present situation to the advantage of the farmer and the Canadian taxpayer? Let us recapitulate this matter from two years back—

• (8:50 p.m.)

As for me I would rather say for the last seven years. In fact, we have asked for fairer measures in 1962. I am reading on:

> In January 1967, the National Harbours Board publicly announced that the grain elevator in Quebec was going to be rented or sold by tenders. Tenders were called and BUNGE OF CANADA LTD rented the elevator for a 10-year period. This lease provided for two renewal options at a rental rate to be determined by the National Harbours Board. Rental for the first ten years amounts to about $915,959 yearly.
>
> At the same time, the National Harbours Board announced that it had received two bids following the public tenders and that the bid made by BUNGE OF CANADA LTD—

—an American company—

> —had been found the most favourable.
>
> That company that had intended to build a grain elevator at Sept-Iles in Quebec, had abandoned that project, independently of whether

it bought the elevator in Quebec or not. The company had also announced that it was ready to sell its property at Sept-Iles even to a competitor.

The National Harbours Board announced further that the elevator at Quebec "would continue to be operated as a public elevator with an operation permit from the Board of Grain Commissioners".

Upon request, BUNGE gave a written assurance to guarantee that the shippers of domestic grain would have free and full access to the elevator.

Further, BUNGE gave a firm assurance that not only a space would be reserved for the domestic grain, but that additional space would be built for storing grain whenever necessary.

These two points were to be part of the lease, and in the property rented by Bunge, there was a piece of land on which new warehouses were supposed to be built for domestic grain when the elevator would further expand.

Apparently, the National Harbours Board wanted to suggest renting the elevator, since they had realized they could not use those warehouses at their full capacity. We may wonder what made them reach this decision since a few years before, extra storage space had been built to hold 4,000,000 bushels.

The idea, in building these grain elevators was to placate the opposition that was seeking redress. It was not heeded and these elevators were built only to be rented the next day to an American company thus allowing a few capitalists to get richer still. We, as members of the Ralliement Créditiste, will not stand for this any more, for, in our opinion, instead of giving way to the excesses of capitalism, we should, as I said before in this chamber, establish co-operative organizations to prevent the shameful abuses that prevail too often. I go on quoting.

What steps did that "National Harbours Board" take to induce shippers and exporters of domestic grain to use these new modern facilities that had just been built?

It would be interesting to know what surveys have been made in that connection. According to a press release at that time, the National Harbours Board claimed that the situation of the said elevator had been jeopardized in 1958 when the government allowed Cargill to build an elevator at Baie Comeau. A conclusion which is—

—logical or—

—preposterous—

—if you prefer—

—for if the Government felt that the situation of the elevator was threatened in 1958, why then did it build additional facilities in 1960 and again in 1965. In other words, after the Cargill construction, the National Harbour Boards doubled its capacity, modernized the elevator, and having spent the taxpayers money, rented the elevator to—

—a company by the name of—

—BUNGE without taking into account the needs of the farmers of the Quebec area.

[Mr. Dumont.]

Today, the serious problems of storing grain in the port of Vancouver should not surprise us, for in a country which produces more than 600 million bushels of wheat, it would be perfectly normal if elevators were built all across Canada. Let us recall those years when Joseph had provided for the storage of enough wheat to last the seven years when his people went through a difficult situation. If one day that same situation were to be duplicated the world over, we could ship wheat to those who would need it, in order to feed the human race who has to have at least three daily meals.

The article keeps on thus:

As another excuse, he indicated that for the local business around Quebec, the elevator would be in competition with that of Trois-Rivières once the new bridge were completed and that it was expected there would be special rates to deliver the grain directly from the West to the province by railway. Barely a year and a half later, it is obvious that all those forecasts and promises from the National Harbours Board were impossible.

Just like my colleagues of the Ralliement Créditiste, I am still wondering why Western grain does not get more rapidly to Eastern Canada, in order to meet the requirements both of bakers and farmers in the East and in order to clear ports such as that of Vancouver which, usually due to a lack of box-cars, so it seems, are unable to do the job.

Our proposals are sound, but the government does not want to listen to our demands, and as a result there are urgent debates such as this one tonight in order to find a solution similar to the one we have been advocating for seven years. Even though we have been laughed at, in an attempt to prove that we were wrong, our way of thinking is substantiated and now is the moment to prove the truth.

I am sincerely sorry that the farmers of Western Canada are in trouble. I have been to that part of the country and I know the value of its contribution to our trade. Personnally, being a former farmer, I am well aware of agricultural problems in Quebec and in Canada. I am in a position to say, since the previous legislators did not do justice to our people and we now represent the official opposition from Quebec in the parliament of Canada, that we are asking that our people be treated fairly.

Although at the present time, attention is drawn only on the problem as it affects the Western farmers, it does affect Eastern Canada too. Farming is heading for disaster, because we have been unable to convince

Western farmers to ship their grain to Eastern Canada. If we could achieve that end, it might check separatism, which is feared by several hon. members, because it is no use preaching to a hungry man. At the present time, Eastern farmers are miserable on their parcel of land, because they do not think it possible that this grain which could be sold at a lower price in Eastern Canada, will one day bring them some profit.

• (9:00 p.m.)

They will have nothing to do with socialism, with a government that controls and they do not want to be told one of these days to do such or such a thing. Indeed, there is proof of that in the fact that they objected to the renting of the Quebec elevators to an American company that probably created some of the problems concerning grain exports. We lost, as was said in the motion today, 17,000 tons of cereals that could have been sold and such a sale would no doubt have contributed to our country's prosperity.

But because justice is being denied, because the economic power of electoral funds dictates the course followed by the parties in power—Tories or Grits, they are of the same making because they go to the same source to get elected—it is possible the day after the elections, with a majority government, to have laws passed that encourage those financiers and bring about disasters like the one we are witnessing now in Canada.

I will therefore keep on reading the article I quoted a while ago, giving you a few more details on what we are going through at present in eastern Canada, when we would have liked so much to help the people in western Canada. People may think what they want, but we are ready in Quebec to help our fellow citizens. We are ready to assist other Canadians who, as everybody knows, also want to make reasonable profit and benefit from the income of their farm, which would enable them to live decently, in a democratic way. Now problems like the one in the Vancouver harbour are created, which shows that when the government rented the Quebec grain elevators to an American company, it not only created storing problems, but also contributed to increase the control of American companies over the Canadian economy. In fact, a spokesman for the Federated Cooperative said one day: If we had not been here, our control on grain would have been done for. An American company was then coming to Eastern Canada to control the distribution of grain and this is the effect that we must bear today while we have to tackle problems like the one in which we are involved at this time. I shall read further the article to which I referred earlier:

It must be noted that up to the end of the 1966 shipping season about half a dozen shippers were competing with the Quebec market; this was the best guarantee for the local consumer that he would get the most reasonable offer.

At the end of the 1968 shipping season, there was only Bunge with the exception of one or two other shippers, who were moving grain to the Quebec elevators. The tenant systematically discouraged the shippers, as well as the shipping companies, from going to Quebec to unload the domestic grain—

It is not surprising that we should know the problems which are ours today.

—because he was trying to impose conditions forcing the shippers to give him three days notice before the loading of the ship at the Great Lakes ports, to give the name of the ship, the quantity, the grade of the grain and the date of arrival of the ship in Quebec.

With such information, the tenant could get in Quebec an advantage on the market by adjusting his price in order to compete in the best possible conditions.

A permit was issued by the Canadian Board of Grain Commissioners under section 134 (1) of the Canada Grain Act with different clauses.

This brought about more confusion at the elevator because the permit itself was interpreted in an ambiguous way by the Canadian Board of Grain Commissionners.

In a brief about the Quebec elevator, Mr. V. Martin, secretary and executive manager stated, for instance, "Bunge is allowed, though under no obligation, to take a ship out of turn. On the other hand, if a ship turns up, and there is no other one in line, and there is room in the elevator, Bunge has to unload the boat without any consideration for other plans or commitments.

In October, one of Bunge's competitors on the local market in Quebec, taking into account the above mentioned conditions, sent a boat to Quebec with 960,000—

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Dumont: Just a few minutes more, Mr. Speaker—

Some hon. Members: Hear, hear.

[*English*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I must say, Mr. Speaker, that the last speech has cheered me

up. Sometimes I have doubts about my competence, but having listened to the last speaker I was reminded of the famous words of a well known gentleman, who said, "When I look at myself I am a bit embarrassed, but when I compare myself with others I am cheered". At one point we were getting rather far from Vancouver and from the situation that exists there.

The motion which we have before us is full of impressive phrases, such as "paralysis in wheat movement in Vancouver harbour", "loss of a 17,000 ton contract", the possible loss of others, "stagnation in the movement of wheat". The hon. member for Mackenzie (Mr. Korchinski), with his usual enthusiasm, added additional big phrases, such as "serious decline in our sales" and "nothing is moving". That is about the mood that he has tried to create, though I am sure most of the house and the country does not agree with him.

The hon. member is making mistakes, though involuntary and unconscious ones, I am sure. He is also guilty of some exaggerations. My colleague the Minister of Agriculture (Mr. Olson), the Minister without Portfolio (Mr. Lang) and myself will demonstrate this tonight. However, in doing so none of us will deny that we do have a serious situation here. The Wheat Board says that we have 31 ships loading or waiting for grain in Vancouver. Others have said there are 29 and 30, and someone said 33, but the official figure is 31.

I should like, first of all, to try to define the problem. At the root of the grain movement problem this crop year is the fact that farmers harvested last fall all time record quantities of tough and damp grain, and the quantities which must be handled are double that of any other year. This is regrettable but the government could not do anything to prevent that situation. It is well known that government can do many things, but it cannot change the weather.

The second fact which must be borne in mind is that the handling of high moisture grain is a slow, time consuming process. As an example—and this is only an example—terminal operators are finding that in some cases it takes several hours to unload a boxcar of high moisture grain, as opposed to minutes for dry grain. Again the government cannot change this situation.

Unusually severe winter weather has greatly cut down on the efficiency of railroad equipment. As an example, yesterday in Edmonton the temperature was 40 below zero,

though had the hon. member for Calgary North (Mr. Woolliams) been there it might have gone up a few degrees! This means, for instance, that a diesel engine normally capable of hauling 80 to 100 cars of grain can haul only 30. Again that is a situation that the government, however capable, cannot change.

Another factor is that the demand for Canadian grain from westcoast ports has been stronger than could have been anticipated. I have already said that; I will repeat it and provide the house with statistics on the subject in a moment. The desire to move the largest possible volume of high moisture grain to Vancouver terminals for drying and for export purposes has conflicted with efforts to meet this increased demand for dry grain.

I have already said that we have here a conflict between two very desirable objectives and purposes. One is the movement of maximum quantities of damp grain to terminal elevators for drying and export; the other very worth-while objective is the achievement of maximum exports. As I have indicated, we have had some unexpected export commitments to meet on top of expected export commitments. That is a situation to which I have often referred and has to do with Chinese and Japanese sales as well.

The simplest solution would have been to cut back on sales from Vancouver. After the results of the harvest were known, the Wheat Board was aware that there would be serious transportation and handling problems this year. The Wheat Board could have taken the easy way out and simply limited sales to safe levels. Instead they opted to maximize sales and tried to solve transportation problems. Had they not done so, hon. members on the other side would be accusing us for the loss of sales, and the hon. member for Mackenzie (Mr. Korchinski) tonight accused us in fact for the loss of one sale in particular. His allegation is not correct.

• (9:10 p.m.)

Mr. Woolliams: You lost more than one sale.

Mr. Pepin: One can imagine what hon. members of the Conservative party would have said if the Wheat Board, acting on conservative principles, had been afraid to take any chances. Hon. gentlemen of the Conservative party would have been among the first to accuse the Wheat Board or most preferably the minister responsible for the Wheat Board, for not being daring enough.

Mr. Woolliams: I notice the gold dust twins don't agree with you.

Mr. Pepin: In business you have to take calculated risks, and take the consequences.

An hon. Member: In what kind of businesses?

Mr. Pepin: In all businesses, including politics.

Some hon. Members: Hear, hear.

Mr. Pepin: What was done by the government is well known. As soon as it became evident that a crisis had developed in western Canada after the harvest last fall, the Wheat Board announced an advance delivery quota of three bushels per specified acre. This allowed for a quick movement of high moisture grains to terminals, and allowed dryers to begin operating at capacity.

I still remember the charming voice of the hon. member for Calgary North (Mr. Woolliams) shouting across the floor, "Get the wheat to the dryers." And I still remember the hon. member for Crowfoot (Mr. Horner) shouting to me, "Go out and sell, sell, sell wheat." That is exactly what was done. I am not blaming hon. members for their attitude. The government has supported the actions of the Wheat Board in what has been done. The right steps have been taken. I am not condemning hon. members for having shouted their advice to me. They were right to do so. The risk the Board took was a calculated one. That is all there is to it and there is nothing wrong with it. But when you take risks you also take the consequences.

The grain industry set up a committee in Winnipeg to co-ordinate the movement of high moisture grain.

Mr. Horner: How long ago was that?

Mr. Pepin: At the beginning of this situation, in the fall. I am talking about the Winnipeg Transport Committee and not about the committee set up in Vancouver, which is more recent. No doubt hon. members on the other side of the house consider they have revelations from God himself which enables them to anticipate history. My memory is good and I can remember hon. members on the other side of the house telling us to subsidize wheat left in the field. They knew it would not even be harvested.

At any rate, the transportation committee was created. Terminals and railways were given targets to achieve on a weekly basis. Each week these targets were reviewed and where short falls occurred the reasons for those short falls were and are examined. When a short fall is due to controllable circumstances corrective action is immediately taken. On November 26, when the Wheat Board held its press conference, the farmers were told the situation was difficult and that they would have to dry a lot of their own grain. Full investigations were made into the possibility of utilizing additional facilities, such as the terminals at Duluth and dryers in southern Ontario. That investigation disclosed that costs of using such facilities would be far higher than the costs incurred in drying grain on farms.

A subcommittee of the main committee in Vancouver was created in Vancouver under the chairmanship of the Vancouver manager of the Wheat Board to do the same work as the committee in Winnipeg was doing. I think the Minister without Portfolio (Mr. Lang) will explain what was done.

Mr. Baldwin: Yes. You raised interest rates.

Mr. Pepin: He will explain what was done in order to make available to farmers interest free cash advances so that they would not be financially handicapped when attempting to dry their own wheat. In addition, the duty of 15 per cent on imported stationary dryers was remitted; income tax regulations were amended to provide accelerated depreciation allowances for farm grain storage facilities and grain drying equipment; the government waived the provisions of the labour code to allow for 24 hour a day, seven day a week terminal drying, and at the moment all terminals are operating seven days a week 24 hours a day. I could go on listing what we did.

Mr. Baldwin: And do not forget what you are going to do about estate taxes.

Mr. Pepin: But we are being accused of doing nothing. The motion says in part, "the minister...refused to take action." We have been taking action all along.

Mr. Woolliams: Some action.

Mr. Pepin: I now want to talk about the sale of wheat to Japan. As I have mentioned in the house on a number of occasions, the House of Commons is not a market place and it is not in the interest of producers to discuss individual sales transactions.

Mr. Woolliams: How did the transaction we are considering go wrong?

Mr. Pepin: Does the hon. member disagree with that statement?

Mr. Woolliams: I disagree with the government's entire policy. Quite frankly, it has no policy.

Mr. Pepin: The hon. member's former leader, when he was prime minister, said in the House of Commons as reported at page 880 of *Hansard* for February 15, 1962:

> Mr. Speaker, I do not want to comment on a vote that took place yesterday but the hon. gentleman knows very well that throughout the years it has never been considered proper to reveal the particulars of agreements or transactions entered into by the wheat board. To do so would be to depart from the regular principle and would be of benefit only to those who are competitors.

If I were not so pleased to be on the government side of the house I might enjoy the experience of being on the other side for a few days to enjoy the game of telling the government, as hon. members over there do, that we should provide more subsidies, sell more of this, and do this and that without having to take the responsibility of what would happen if those suggestions were implemented.

Some hon. Members: Hear, hear.

Mr. Pepin: I came well prepared, Mr. Speaker, and I can quote chapter and verse to hon. members on the other side. Hon. members said that the Wheat Board ought to give advance quotas for damp grain; that damp grain ought to be given priority in box car movements. They emphasized at the same time that we should not lose a single sale, and so on. I do not see why hon. members are complaining because their suggestions were carried out. Hon. members ought now to take their share of the responsibility for what has happened. We have taken chances—

Mr. Gundlock: May I ask the minister a question?

Mr. Deputy Speaker: The minister has the option to refuse.

Mr. Pepin: Mr. Speaker, I am just warming up. The hon. member for Mackenzie accuses us of not having made one particular sale. As I said before, it is not the practice of the house to talk about specific sales, as the former leader of the Conservative party said. He stressed the value of that tradition. I hasten to add, however, that shipments of Canadian wheat to Japan this year are considerably above last year's level, being at 17.1 million bushels as compared to 12.5 million bushels in the August to December period last year.

Mr. Woolliams: Peanuts.

Mr. Pepin: I do not see why we should be accused of having missed one sale when 5 million more bushels this year than in the corresponding period last year have been sold. I don't want to break an old tradition but I might indicate to the hon. member for Mackenzie that the sale he assumed was lost has not been lost.

• (9:20 p.m.)

Some hon. Members: Oh, oh.

Mr. Pepin: Press reports at times can be wrong and this is one occasion. I am not saying that the sale will not be lost. I am saying that it has not been lost and that the Wheat Board will see to it that a maximum effort is made so that it won't be lost.

To conclude, Mr. Speaker, since apparently members have only 20 minutes in which to speak, I wish to state that the debate we are having is partly on the functions of the minister. I do not want to quote Dawson and other learned authorities because if I did so I would be accused of going back to my former profession. But on reflection I ask, is it the function of ministers to replace the proper authorities? Is it my job to run the wheat marketing system in Canada, to tell the Wheat Board what to do, to command or, using the word used by the hon. member for Mackenzie, to instruct? Is it my job to instruct the members of the Wheat Board? Is it necessary for the Minister of Agriculture (Mr. Olson) to instruct the Board of Grain Commissioners? I don't believe that because if it is our job to instruct then obviously we don't need these boards.

Mr. Horner: We will tell you your job.

Mr. Pepin: I am just trying to reason with the opposition members and this is sometimes difficult.

Some hon. Members: Hear, hear.

Mr. Pepin: It is not the function of the minister, the way I look at it, to run Crown agencies. That is the way that traditionally these things have been looked at. The Leader of the Opposition (Mr. Stanfield) is familiar with these theories. I am quite sure that when he was premier of Nova Scotia he did not actually tell everybody in the provincial

government what to do. I know some people say he did but I don't believe that.

The function of the minister is to support the organizations for which he is responsible to parliament, to bring the different parties together when need be, to do everything to help these parties in the accomplishment of their tasks and this, Mr. Speaker, has been done in these grain difficulties by the members of the cabinet.

The hon. member for Saskatoon-Biggar (Mr. Gleave) says that we should discuss, I think I quote correctly, the efficiency of the grain handling system in Canada. I am old enough to know that when things go well people go on their knees to praise the transportation system in Canada. Now that the weather has not been as kind as we all would like it to be, now that some difficulties have arisen I think this is a poor moment to suggest that there is something fundamentally wrong with the transportation system. I remember very well the praises accorded to the transportation system when things went well.

An hon. Member: When was that?

Mr. Pepin: Anyway, I can say honestly that the ministers of the government have given the proper wheat marketing and transportation authorities the fullest support we could. We have given our complete co-operation and I do not think anybody will say differently. But of course—

Mr. Deputy Speaker: Order, please. I am afraid the minister's time has expired unless there is unanimous agreement of the house for him to continue.

Some hon. Members: Carry on.

Mr. Pepin: I will conclude by saying—

Mr. Bernard Dumont (Frontenac): I object, Mr. Speaker, because I was not allowed to continue my remarks earlier.

[*English*]

Mr. Deputy Speaker: Order, please. It is a matter of consent. There is the consent of the house to allow the minister to continue, whereas that was not available earlier.

[*Translation*]

Mr. Dumont: As unanimous consent is necessary, I object.

An hon. Member: You have nothing to say.

Mr. Dumont: I was not allowed to continue my remarks a short while ago. It is now my turn to object. I also asked for unanimous consent, and it was not given.

[*English*]

Mr. Deputy Speaker: Order. The hon. member for Dauphin.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak to this motion, and as its seconder, I would like to express my concern with the problem. In my opinion, the present situation of our wheat exports at the port of Vancouver is an indication of the chaos, lack of direction and failure of the government to one of the main segments of our economy in western Canada, a segment that is vital to have an agricultural policy that will benefit the well being of our nation.

On January 21 the President of the Winnipeg Grain Exchange, in an address to the annual joint conference of the Dominion Grain Association and U.S. Lake Carriers Association, stated that Canada's position in the world wheat trade is precarious and unlikely will ever again be as good as it has been in recent years. I would hope he is in error but at least this is an informed opinion.

We now witness the prospect of sales that we cannot fulfil due to the mismanagement of our export mechanism in the transfer of grain from the farms to the ships, at a time when the world wheat crop has exceeded 10 billion bushels for three consecutive years. This has resulted in a large surplus for the exporting nations of the world and intense rivalry to have this grain disappear into the markets of the world.

In an article in the *Canadian Press* of November 6, 1968, by Allan Sackman, the question is posed "Can the world do without our grain"? The statement of the Prime Minister (Mr. Trudeau) in Winnipeg that the prairie farmer should sell his own grain, when it is well known that it is impossible for the farmer to sell his own grain, shows a lack of appreciation of the problems facing the agricultural producer.

Recently the Minister of Agriculture (Mr. Olson) announced the licensing of a variety of Mexican wheat designed to fill an area of wheat marketing for feed grains. This will cause further congestion in ports such as Vancouver in transfering this grain to the markets of the world. The increased number of varieties of wheat and other grains causes

further problems and requires more sophisticated machinery to handle the grain at the ports.

Investigations in recent years of the grain handling situation show that we are sadly lacking in many areas to fulfil all the demands of our customers and to take care of unexpected sales that fortune has thrown our way. We must hurry to modernize our grain handling facilities so that we can cope with the unexpected.

This last fall we had a modestly good crop, severely damaged by rain and frost over wide areas of the prairies. In fairness, it seems to me that much of the congestion can be attributed to the large amounts of damp or wet grain in store and awaiting drying at Vancouver. Such harvesting seasons will recur at intervals and we will have to be prepared for them at least once every 20 years, if not once every ten years, so that we can carry on a major drying operation. The need for this will likely increase as farms increase in size and mechanization.

It seems to me only reasonable that provision should be made by the government, either in conjunction with local elevators on farms or with elevators at the coastal terminals, for a large amount of grain to be reconditioned for sale in the world markets. A chain is only as strong as its weakest link, and when handling facilities at a port such as Vancouver become clogged and break down, only chaos can result.

It is particularly disastrous to note, according to an item in the James Richardson and Sons weekly grain report, that a 17,000 ton sale of grain to Japan may have been lost and its place taken by a cargo of Australian wheat. It is very damaging that Japan, one of our traditional markets, and a country that does not fall under communist domination—leaving aside political consideration in our dealings with the communist bloc—is one country where unfortunately we have lost a sale.

It is well known that the erratic shipments of grain from the west coast have been a factor in the loss of our traditional Japanese barley market. In the past year we have seen this market slip away to France and Australia. This loss has been in part due to uncertainty of delivery out of our west coast port.

Canadian agriculture is facing severe circumstances in penetrating the markets of the world, and competition will be fierce. There are many facets of this problem that we cannot control but it is wise to rectify those things that we have the power to rectify. Certainly, one of our immediate tasks is to put the port at Vancouver into the best possible position for exporting grain.

[Mr. Ritchie.]

• (9:30 p.m.)

There are upwards of 300 million bushels of damp grain in farm storage. Many experts feel this grain will be seriously damaged if it is not conditioned by spring. So, in addition to the amount that has been expended by the farmer in harvesting the grain there will be a considerable loss in value. From a long range point of view it might well be considered that we should have facilities for the storage of grain outside this country in places such as Tokyo and Rotterdam. These are our main market areas. This would allow for a cushion in the event of delayed shipments of grain by reason of abnormal conditions such as strikes and other unforeseen problems.

I strongly urge the government to take the present tie-up at Vancouver as an indication of the seriousness of the situation in respect of the grain trade and particularly the handling facilities for grain in western Canada. I ask that the government act with all possible speed in this matter. I should like to ask the Minister of Trade and Commerce whether international markets have been lost because of any delay in getting the right type of grain in position; what can now be done to get the required types of grain to the terminals and, finally, a question which the minister did not touch on, will the prairie farmers have to pay for the mounting demurrage costs in respect of the boats?

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, in rising to take part in this debate I should like to register my concern about the problem of trying to be prepared for every eventuality in the business of marketing grain. It is a very serious thing to be unable to deliver grain in the quantities and grades, and at the time our customers require it. It is especially serious when after a year of poor sales our markets are showing some signs of buoyancy again, and we have added to a substantial carry-over from last year another better than average size crop. I note in passing that overseas clearances of wheat and wheat flour are running about 25 per cent or 30 per cent higher so far in this crop year than they were a year ago.

For years I have been saying that more and better facilities are needed for the storage and transportation of our grain. We must be prepared to deliver what our customers want when they want it. It is quite obvious that the unusually large amounts of tough and damp grain with which we must contend this year have interfered somewhat with the normal movement through our transportation system. I understand also that some Japanese orders for wheat from the United States were cancelled recently, and that the ships were sent on short notice to Vancouver to take Canadian wheat instead. This is a very welcome development and one which we can ill afford to fumble.

Canadian farmers are in the business of selling grain to a great variety of customers through the agency of the Canadian Wheat Board. To be successful in this merchandising operation, it seems to me one of the first essentials is to have an adequate supply readily available for our customers. I believe this demands a thorough overhauling and upgrading of our grain handling system. Methods must be developed very quickly to make sure that the Wheat Board can deliver grain to our seaports in whatever quantities and qualities may be required by the market from time to time.

I suggest we need more terminal space for the storage of large quantities of different grades of wheat. It would likely be necessary that these be at ports in order to avoid the rail line bottlenecks. Inland terminals served by unit or containerized trains, or pipelines, should also be considered. I think the suggestion made this evening by the hon. member for Frontenac (Mr. Dumont) regarding storage facilities in eastern Canada is also a very good one. Also, the statement of the last speaker that we need considerable storage facilities at overseas positions is worthy of consideration.

I know that some officials of the Wheat Board and the Board of Grain Commissioners recognize that our grain handling facilities are far from adequate to cope with modern grain market conditions. The Saskatchewan Wheat Pool has done something about this. This farmer owned organization, of which I am a member, has plowed back much of its past earnings and will put much of its future earnings into large new terminals at the west coast. I would urge everyone involved, the railways, the grain companies, the National Harbours Board and all other agencies to get on with the job of bringing our system up to date.

To get back to the immediate problem I tend to agree with those who have been advocating the appointment of a transport controller or commissioner. Some years ago such a person did a fine job of directing and co-ordinating grain movements. I know there has been a transport committee for most of the season so far. This committee is composed of representatives of various organizations. But the fact that the present problems have developed casts some doubt on the efficacy of this essentially voluntary arrangement.

It is said that the best type of committee to get action is a two man committee, with one member absent. Therefore, I would be in favour of the appointment of a transport controller, at least for the balance of this crop year, with authority to see that what needs to be done in this emergency is done and done promptly. There is a good deal of grain of various grades in western Canada which is needed to supply the market. It may be that traditional shipping areas may have to be disregarded. This may mean the shipping of Manitoba and eastern Saskatchewan grain to the west coast, or the shipping of Alberta and B.C. grain east. It may also mean an increase in shipping costs. I believe most farmers would agree it would be better to take a little less for grain in order to cover such increased marketing costs if this is necessary to develop and maintain our sales.

Then there is the matter of the equitable sharing of marketing opportunities between farmers of various parts of the prairies. Eventually all this grain will be handled some time, so it is essential that all kinds of grain be accepted from all areas and stored if necessary. If it is stored in positions where it is readily marketable, buyers will more likely be found. This important consideration of equality of delivery by the end of each crop year must never be forgotten. That is the main purpose and justification for a quota system.

In conclusion I would say that if there is any blame to be assessed in this present situation most of it can be laid to an outmoded transportation and storage system. In any case there is little profit in trying to blame individuals or groups. What we should be doing is deciding how best to improve conditions. I think there is a good deal of merit in having a one man transport controller with meaningful authority.

I believe also that the Canadian Wheat Board should be extremely flexible in designating shipping areas for both eastern and western shipments. If it can be shown that there is a shortage of grain cars, and I do not believe this has been proven, this should be quickly rectified by a transport controller. The future of our grain industry, which is so important to the economy of the whole nation, depends on whether or not we can cope with the current problems and whether we can develop methods to prevent their recurrence. The importance of maintaining Canada's reputation as a reliable producer and supplier of wheat cannot be overemphasized.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, a little while ago we witnessed a defence of the Wheat Board and the grain handling system which would have sickened any farmer from western Canada. It would have sickened the farmers there and have driven them to despair. I rise at this time, heavy of heart, because I realize the many difficulties with which the minister is confronted and his inability to cope with those difficulties. I have nothing particular against the minister but he is unsuited to handle the grain problems in western Canada. I notice the Prime Minister (Mr. Trudeau) in the house at this time. Let me remind the house of his remarks during the campaign. He said he would appoint ministers to his cabinet not on the basis of regional representation but because of ability. Surely the Prime Minister cannot sit in his seat today and tell us the Minister of Industry, Trade and Commerce (Mr. Pepin) was appointed to look after the wheat board because of his ability, particularly after his 20 minute speech of nonsense and garbage.

• (9:40 p.m.)

At one time the Minister of Trade and Commerce, during his speech, asked what his job was. He suggested that we should tell him what to do. He should not have been appointed if he did not know what to do or what his job entailed. Surely every farmer in western Canada could quickly tell him what his job is and what he should do. His job is to sell wheat and move it as quickly as possible. He should not take the attitude the Prime Minister expressed in Winnipeg some time ago and again in the House of Commons when he asked, why should the government sell wheat?

[Mr. Douglas.]

The minister should sell wheat because the wheat board is a branch of the government functioning on behalf of farmers. The government has accepted the responsibility to govern this country, and whether the Prime Minister wants that responsibility—and I am sometimes unsure about that—he has accepted it now. He went out and worked to acquire that responsibility. He now says that the selling of wheat is the farmer's problem and would only become a government responsibility if the state owned the land and hired the farmers to produce wheat. Perhaps the Prime Minister is like the Minister of Trade and Commerce who is now wondering what his job is. We all wondered what his job was when he was over in London, but now that he is back here in Canada he should recognize his responsibility and at least attempt to cope with this situation.

The Minister of Trade and Commerce outlined the problem but at no time did he say what the government was doing about it. He did not say we are doing "a", "b" or "c" about it, or this is what we hope to do. He attempted to throw this problem off his shoulders by saying the problem was the result of the production of tough and damp grain last fall and the railroad companies were having problems hauling the grain in the wintertime. We have had a cold winter this year in western Canada, but this is not the first cold winter and it will not be the last. The minister also blamed the situation on the fact that there was an unusually high demand for western wheat at the western ports. During the last few years Vancouver has moved over 50 per cent of the grain moved in this country, and if the minister doubts that he should look up the records. The minister went on to suggest that the farmers had asked for a 3 cent per bushel advance on damp grain, and said this got the government into trouble. He finally analyzed the problem by saying, or rather asking, what is my job?

Mr. Woolliams: It is obvious he doesn't know.

Mr. Horner: He doesn't know and he is not even prepared to find out. He has been the minister for one year, yet he does not know what his job is. There are 33 ships at Vancouver today, some being loaded and some not. The Prime Minister makes flippant remarks, but who is paying the demurrage charges on these ships which amounts to $2,500 per day? Let me tell you that the farmers

are paying these charges. One shipping company in respect of one ship has put in a bill for $32,000 in demurrage charges. Let the Prime Minister flippantly reply to that fact. Let him take the blame, and let the government pay the demurrage charges.

What does the government have to say about the lawsuits being initiated by the shipping companies against the wheat board? These companies had arranged dates to load grain, yet the grain is not there. The ships are there and they are losing cargoes and contracts. They blame the wheat board because they cannot load at Vancouver. Is the government going to accept these lawsuits or is it looking into this problem?

What does the minister have to say about the grades of wheat moving out to the west coast? Vancouver facilities can handle something like 2,000 bushels per hour in the drying system. There was no need to move out a lot of damp grain. The wheat board could have moved out damp grain as fast as the drying facilities could handle it. Most of the storage facilities in Vancouver should have been used for dry grain. The damp grain this winter could have been stored a lot better in western Canada under the cold conditions. Instead it was stored in Vancouver and it might well be heating at this moment because of the warm climate and the severe dampness. The government mishandled this grain movement by shipping damp grain to Vancouver. That is the first mistake it made.

Instead of appointing a committee seven or eight weeks ago to organize and co-ordinate the shipment of grain to Vancouver, the government appointed a co-ordinating committee about two weeks ago. This action should have been taken four or five weeks earlier. The situation was obvious two months ago. It was obvious that the wheat board could not live up to the contracts which had been made in respect of shipments.

A ship today does not suddenly appear on the horizon like the ships sailed by Columbus when he discovered America. A ship takes some time to get to Vancouver and the wheat board knows that it is coming for a certain grade of wheat. Surely to goodness, this wheat should have been available.

I have some doubt as to whether Japan is prepared to accept damp grain. During the Christmas recess I travelled throughout my constituency and saw thousands and thousands of bushels of grain still in the fields. This is dry grain. There is a great deal of dry grain in southern Alberta. The government could have moved huge amounts of dry grain for storage in Vancouver. The government turned its back on this fact, and paid no attention to the situation.

The minister asked what his job is. Let me suggest it is to provide leadership and inspiration to his department to provide greater service. How could he inspire his department when, after one year in office, he still does not know his responsibility? If the rules permitted I would move that the minister resign or that the wheat board be taken from his responsibility. There has been some talk about this.

I should like to hear any western member who supports the government suggest that the wheat board should remain the responsibility of this minister who has no knowledge of this situation. I should like to see the hon. member for Assiniboia (Mr. Douglas) cast his vote of confidence in support of this government's actions after listening to the speech the minister has made. I do not think he could do so and return to his constituency to face the farmers. I am sure no western member could do this because of the mishandling of this whole grain situation since the beginning of last fall. The minister has been inept in handling this problem since his appointment.

The *Western Producer* of January 2, 1969 published an article under the heading "France undercuts I.G.A. price". What is Canada doing about this? Has this government made any complaint? What is the minister doing? The hon. member for Assiniboia suggested that the farmers were prepared to sell for less. I suggest some farmers must sell for less because of high interest rates and because of the new estate taxes the government is introducing.

The minister asks us to consider what the government has done. It has increased taxes to farmers when they are alive and is now prepared to take their farms when they die. Perhaps when the government takes over these farms the Prime Minister will decide that now the government owns the farms it will have to sell the wheat. I suppose that will be the time the Prime Minister finally accepts responsibility for moving and selling wheat. Surely to goodness, in this democratic country we can expect more responsibility than that.

Grain

• (9:50 p.m.)

The Acting Speaker (Mr. Béchard): Order. The hon. member for Assiniboia (Mr. Douglas).

Mr. Douglas: On a question of privilege, Mr. Speaker, the hon. member said that I stated the farmers would be willing to take less money for their wheat. I said the farmers would be willing to take a little less in order to pay the extra transportation charges that may be necessary to bring wheat from—

The Acting Speaker (Mr. Béchard): Order. The hon. member for Crowfoot (Mr. Horner).

Mr. Horner: That is no question of privilege, Mr. Speaker. I said that the hon. member stated the farmers would be willing to take less money. That is what he did say. I do not know what excuse he gave for that; whether it was transportation costs or any other kind of costs. In any event, farmers are going to take less under this government because of the rail line abandonment program and increased transportation costs, if nothing else. These extra charges are being faced by the farmers right in the hon. member's own constituency.

Farmers are not prepared to take less money. Many farmers have to take less in order to meet the interest payments on the huge amounts of money they have had to borrow in order to seed and harvest their crops, despite the fact that their crops are not moving to the market and the minister who is responsible for seeing that they move is not doing his job properly.

During the minister's speech I asked him how long ago the co-ordinating committee was set up. He did not give a direct answer; he tried to say it was set up some time ago. A co-ordinating committee was set up in Winnipeg. Winnipeg is not the problem; Vancouver is the problem. This co-ordinating committee was set up in Vancouver less than two weeks ago in order to co-ordinate and facilitate the movement of grain. This is not good enough. It should have been set up some time ago.

The minister should go to Vancouver and get the interested parties together. If the railroads are having difficulty in getting together, the minister should meet the heads of the railroad companies and find a way to facilitate the movement of grain. There should be huge trainloads of dry grain moving to Vancouver from the prairies, from southern Saskatchewan and southern Alberta. There is in this part of the country a huge amount of grain that normally moves to Vancouver. If the job were handled properly, the 33 ships there could be loaded with trainload after trainload of dry grain. Then we could carry on with the program of drying damp grain. Despite the problem that we face in this regard, all we have is this business of someone saying, "What is my job?" The people who should be concerned with dealing with the problem do not know what their job is. In this situation, how can leadership be given to the department concerned with handling the problem?

The Minister of Agriculture (Mr. Olson) sits on the other side of the chamber very silently and glumly, looking at the problem which he wished to handle in his department. But the Prime Minister does not place that much trust in him either. He says, "No, we cannot give him this responsibility. We will give him the dairy problem, and that's all." He might know something more about the problem, being a member from western Canada. I question his judgment too, but I urge the Prime Minister to give him a chance and place the Wheat Board under his control. The hon. member for Saskatoon-Humboldt (Mr. Lang) might even do a better job. Surely if these ministers recognized what their jobs were, they would have enough ability to handle them.

The Prime Minister is not doing his job by ignoring a problem that is so vital to a major part of the economic life of western Canada. He has put the problem in the hands of one who is a very amiable, nice person but who knows absolutely nothing about the problem he is supposed to handle. Surely the Prime Minister cannot say that he is doing his job when he allows this situation to continue.

I urge the Prime Minister, who is sitting in the house listening to this debate, to reconsider the make-up of his cabinet. The minister concerned could carry on as minister of trade and commerce, but the Wheat Board should be placed within the responsibility of someone who is more capable, at least on the surface, of looking after these matters.

For the past year we have had the problem of damp grain. There has been no action in this respect. There has been a ball-up of our transportation facilities. Now, there is a ball-up at Vancouver Harbour where 33 ships are waiting to load grain. Many of these ships are paying demurrage charges. These charges, amounting to $25 a day, are coming out of the farmers' pockets. The demurrage charges for

one shipowner have amounted to $32,000. You cannot say this is efficient handling of the problem in this day and age when efficiency is the guide to what we do.

An hon. Member: But not brevity.

Mr. Horner: Mr. Speaker, someone talks about brevity. My constituents sent me and other western members to Ottawa to act on their behalf. We came here to urge and drive the government to do those things which are necessary. We have tried to get some action from a government that is confronted with a serious problem that affects our constituencies and in fact the whole of the country. Brevity is in many cases nothing more than laziness. We cannot adopt a lazy attitude with regard to an important problem such as this.

Mr. Woolliams: Brevity is the soul of wit.

Mr. Horner: I close by saying that this problem demands more attention and action than the government has given it in the past. I hope that after this debate the government will be inspired to greater heights, for the benefit of the western Canadian farmer.

Mr. Mark Smerchanski (Provencher): Mr. Speaker, it is rather difficult to follow in the footsteps of the hon. member who has just finished making his speech, because I really wonder whether he really believes what he says. The hon. member takes the position that the present situation has a rather drastic effect upon our economy. The facts of the matter are that the movement of grain into the port of Vancouver is at the present time higher than it has been at any time in the past.

Mr. Horner: Tell the farmers that.

Mr. Smerchanski: As the minister has said, the reason the trainloads of grain are unable to be unloaded is the very severe winter conditions in Vancouver. These winter conditions have been the worst in 20 years.

An hon. Member: In Edmonton.

Some hon. Members: Oh, oh.

Mr. Horner: You said Vancouver; someone said Edmonton.

Mr. Smerchanski: After I have had my say, you can speak. I am not going to blow as hard as you, but I will blow on the facts. Mr. Speaker, the fact of the matter is that there are trainloads of wheat backed up into the sidings at Revelstoke, British Columbia, and a good percentage of the western Alberta towns. The reason is that in the movement of wet and damp grain there is a freezing problem and the unloading capacity at the terminal is reduced to approximately 20 per cent of the normal.

Mr. McIntosh: Is this something new?

Mr. Smerchanski: The reason is the unfortunate weather conditions in western Canada last fall. This was an act of God and is not the fault of any government.

Some hon. Members: Oh, oh.

Mr. Smerchanski: By way of clarification for those hon. members who have sat in this house for many years, the Canadian government does not sell grain and I do not think any politician should interpret it in any other way.

• (10:00 p.m.)

I would like to quote from an article entitled "The Function of the Wheat Board" which was prepared by Mr. R. C. Brown of the United Grain Growers of Winnipeg and presented to a seminar in Brandon, Manitoba, dated December 13, 1968. The Wheat Board—and this is rather interesting—has been incorporated with the object of marketing in an orderly manner for inter provincial and export trade grain grown in Canada. It possesses the following powers. It has the right to buy, take delivery of, store, transfer, sell ship or otherwise dispose of grain. Under the same powers that it has vested in it it has the right to enter into contracts or agreements for the purchase, sale, handling, storage, transportation, disposition or insurance of grain.

I am a newcomer to the House of Commons but I am from western Canada. When I listened to the many statements from the Opposition that it is the responsibility of the government to sell wheat rather than that of the Canadian Wheat Board, I could not agree for this is not in accordance with the facts.

Mr. Horner: You are splitting hairs.

Mr. Smerchanski: These are the hairs that lost you the election on June 25. When the Opposition takes the position that their former minister of agriculture sold the grain and that their former administrators were able, by personal effort, to go out to China and Russia and make these sales on a personal basis, that also is not in accordance with the facts.

Mr. Horner: Who put up the money?

Mr. Smerchanski: The Opposition makes no mention of what is going on in Prince Rupert on the Pacific coast. They might be interested to know that there is a certain amount of grain moved through this port.

Mr. Horner: They only have 700,000 bushels.

Mr. Smerchanski: So the facts of the matter are that in spite of the cold weather and of the congestion in the terminal at the port of Vancouver we are now moving approximately 350 cars per day as against about 650 that we should be moving.

An hon. Member: Hallelujah.

Mr. Smerchanski: Every effort is being made to move as much grain as possible and the facts that the United States ports are strikebound, that a good percentage of the ships are lying idle in our Canadian ports and that the weather is cold, are matters also to be considered. I appreciate what the hon. member for Yellowfoot says—

An hon. Member: You have the "foot" right.

Mr. Horner: You were half right; that is pretty good.

Mr. Smerchanski: Some members of the Opposition are telling us that it is also important to fill the grain terminals at the lakehead. Either the opposition is interested in the movement of western grain to the port of Vancouver or they are simply spinning their wheels, and the question arises: What does the present terminal at the lakehead have to do with the movement of grain to the port of Vancouver?

I appreciate the remarks coming from the area of gloom and doom, but they make about as much sense as did the premier of Manitoba some seven days ago when he sent his minister of agriculture to Vancouver to personally look into the reason grain is not moving through the port of Vancouver. This was only done because there are four by-elections taking place in the province of Manitoba.

Mr. McIntosh: Name them, starting with Churchill.

Mr. Smerchanski: The co-operation of all these people working on the railroads and in the terminals is very commendable. They are working on a 24 hour a day basis, seven days a week. As the minister has indicated, the least we can do is to give them our support and appreciation of the excellent work they are doing under very trying conditions.

Some hon. Members: Hear, hear.

Mr. Smerchanski: The next thing we should do is to consider what can be done to help to move the maximum amount of cargo through the port of Vancouver. Consideration must also be given to the fact that our sales of sulphur have tripled, our sales of gypsum have also tripled and shipments of copper concentrates have tripled and quadrupled from the port of Vancouver. This port is under a severe strain due to congestion which makes it difficult to handle the shipments of grain efficiently. Once Roberts Bank is completed, I think this problem will be solved. Again, I wish to commend the government for having had the foresight to plan for the future by providing better port facilities on the west coast.

I believe what the Opposition has said can be called nonsense and garbage. I agree with the Minister of Industry, Trade and Commerce (Mr. Pepin) when he said that the verbs and adjectives of paralysis and catastrophe have no place in trying to commend the excellent work that is being done under very trying conditions of cold weather, the congestion at the port of Vancouver and the fact that a good percentage of the U.S. ports are on strike. I believe that these people should be commended for the excellent work they are doing. I give the Opposition credit for the fact they do not mean to be so critical. I am sure they would like to modify some of the expressions they have used, and they would certainly do so if they were fully aware of the difficulties connected with the movement of grain through the port of Vancouver.

Mr. Harold E. Winch (Vancouver East): I assure you that I have been most intrigued during the past few minutes to listen to the hon. member for Provencher (Mr. Smerchanski) in Manitoba speaking as an expert on the grain handling situation in Vancouver. May I say with all respect that he might have better examined the facts of the situation in Vancouver before having the unmitigated gall and effrontery to stand here tonight to speak as an expert on the situation in Vancouver.

• (10:10 p.m.)

May I remind the hon. member and the house that I am not a farmer. I am not a

wheat grower. But I represent the constituency of Vancouver East, and with the exception of two elevators on the north side of the inner harbour, all the wheat elevators in Vancouver are in Vancouver East, from the Boundary Road to Main. And therefore—

An hon. Member: You should do your homework.

Mr. Winch: Oh, boy! Am I glad you said I should do my homework. When that motion was accepted this afternoon, meaning that tonight at eight o'clock this subject which is of such concern to the wheat farmers of Canada would be discussed, what did I do?

An hon. Member: Your homework.

Mr. Winch: I spent over an hour on the telephone getting in touch with the Vancouver harbour board and the grain commissioners to learn the up to date situation at Vancouver Harbour. The result is that I can speak tonight on the basis of information given me by the Vancouver Harbour Board and the grain commissioners in Vancouver as to the situation in Vancouver at 5.15 Ottawa time, 2.15 Vancouver time.

The hon. member said I should do my homework. It is obvious that I did it. What is the information given me at 5.15 Ottawa time by the Vancouver Harbour Board and the grain commissioners in the Port of Vancouver? I will tell hon. members what the information is.

An hon. Member: We are waiting.

Mr. Winch: May I say, also, that with all the wonderful arguments and points that Conservative members are making on this issue I am sorry that some of the members on the government side have not done their homework, too.

Some hon. Members: Shame.

Mr. Winch: In other words, some of the information which was given us is not correct. Now, for the situation at 5.15 Ottawa time.

Mr. Woolliams: Synchronize your watches, boys, we're going over the top.

Mr. Winch: This is a serious question. Please tackle it that way. This is not a time to be cynical, sarcastic or facetious. Please keep this in mind.

Some hon. Members: Hear, hear.

Mr. Winch: In Vancouver today there were 26 ships at anchor in the inner and outer harbours, that means in the inner harbour at Vancouver and in English Bay. Please note that of those 26 ships at anchor, 19, according to the Vancouver Harbour Board, were awaiting grain.

Mr. Woolliams: Good gracious. How can the minister sit there.

Mr. Winch: Mr. Speaker, I can understand why you are in such trouble when members on the government side think this is a laughable matter.

Some hon. Members: Hear, hear.

Mr. Winch: Of the 19 ships awaiting grain in Vancouver this afternoon, 15 were waiting for No. 2 northern.

What about the elevator shipping berths? At 5.15 Ottawa time this afternoon, seven ships were loading wheat and four grain loading berths were unoccupied. Why were four grain berths unoccupied when there were 15 ships waiting for wheat? Fifteen of the 19 ships at anchor were waiting for wheat, and four of our loading berths in Vancouver were unoccupied.

May I refer again to the fact that 15 of the 19 ships at anchor awaiting grain were waiting for No. 2 northern. Let me follow this up with further information which I got from Vancouver this afternoon. There are 10 million bushels loaded and on the way to Vancouver in 2,500 box cars. But of those 10 million bushels of wheat only 5½ million bushels consist of No. 2 northern. As for the ships, some of which have been lying at Vancouver since early December, 15 out of 19 of them are waiting for No. 2 northern. Surely, this raises the question: why have the sale, transportation and port facilities not been better co-ordinated?

Some hon. Members: Hear, hear.

Mr. Winch: May I also say, from the information I got by doing my homework, from the authorities themselves, that there are three other points I wish to mention, because I wish to be honest about all these things.

• (10:20 p.m.)

I wrote the words down as they were given to me over the phone. I was given to understand that some transportation problems developed owing to weather conditions on the prairies, and in particular owing to ice and

snow conditions in the mountains, necessitating freight train limitation. I was also advised that the grain elevators in Vancouver are processing the grain as rapidly and as expeditiously as possible.

I should like to draw your attention to the third point that I was given from Vancouver this afternoon. I was further advised that an additional reason for the problem which has developed is that the type of grain sold, and to a great extent moved, was not the type for which the ships awaited the opportunity to load.

To me, there is a most important point. It indicates a lack of co-ordination in regard to the type of grain sold, the time when ships to transport the type of grain sold would arrive, and the transportation required to move the type of grain to the ships.

These are facts, not fiction, and they demonstrate that there has been a complete breakdown between production, transportation, shipment and sales. The responsibility for this breakdown can rest only upon this government and the preceding government, because they have been in power for the last six years.

The final word I received this afternoon—because I have been doing my homework—was that this matter cannot be resolved in one day or one week, or by this house sitting for as long as it wants. This is the cumulative result of years of neglect and lack of planning, of lack of co-ordination, control and responsibility.

The ships are in Vancouver. The elevators are operating. There are ten million bushels on the way. Yet out of seven grain loading berths in Vancouver, four were unoccupied by grain carriers this afternoon because the right grain was not in the right place at the right time.

Responsibility for having the right grain in the right place at the right time is directly that of the government or its agencies. We therefore have no choice but to place responsibility for this lack of planning on the government or its agencies. I am afraid that I may be becoming a little repetitious, so may I conclude by saying that this present predicament cannot be solved in one day. On behalf of the Canadian wheat growers, our transportation and shipping industries, and in order to rebuild the good name of Canada in its relations with other countries in view of our failure to meet our commitments as a result of the lack of proper planning, I submit that tonight we have the right to discuss this question and to ask the Prime Minister (Mr. Trudeau), the Minister of Industry, Trade and Commerce (Mr. Pepin), the Minister of Transport (Mr. Hellyer) and our Harbour Commissioners to please do something constructive soon.

[Mr. Winch.]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, in looking over the motion before the House of Commons tonight I think in fairness that it can be said that so long as I have been here there has never been a motion before the house containing so many inaccuracies. However, I want to deal with one or two other points before getting to that particular matter.

The hon. member for Crowfoot (Mr. Horner) accused me of sitting in silence. He also used some other words to describe the activities of the Minister of Agriculture so far as the grain industry is concerned. I have been called a lot of things during the last few years that I have been in this house, but this is the first time I have ever been accused of remaining silent. I am usually something quite different from silent. For the hon. member's information, if he attempts to interpret my sitting listening to him, which is part of the procedure of the house, and remaining silent as in any way, shape or form acquiescence with what he has said, then I want to dispel that thought completely at this point.

He had some things to say which, in my opinion, were excessively critical of the minister in this house who is responsible for the Canadian Wheat Board. He is welcome to his opinion, and under the rules of the house he can express his opinion, unfair though it may be.

Mr. Horner: In your opinion.

Mr. Olson: In my opinion, and perhaps my opinion is worth at least as much as the opinion of the hon. member. It seems to me that the kind of criticism that the hon. member has attempted to lay on the shoulders of the Minister of Industry, Trade and Commerce (Mr. Pepin) is in fact criticism of the activities of the Canadian Wheat Board. If he is moving or supporting a motion of want of confidence in the Canadian Wheat Board—because they have responsibility for all of the activities he criticized—then I think, first of all, he ought to have the good sense, and secondly the courage, to say so. That is what he implied. I think it is the responsibility of the minister who answers to this house for

the Wheat Board to support the board in actions it deems appropriate. The Minister of Trade and Commerce has indicated he supported the board throughout the trying times we have faced. It is fair to say that never before has a government been as helpful to the board as this government, has been in these adverse conditions.

• (10:30 p.m.)

The Minister of Industry, Trade and Commerce mentioned steps which have been taken to ameliorate the situation, and I will not repeat them. He spoke about doubling cash advances, providing for additional money to be used for drying—

Mr. Horner: Increasing interest rates.

Mr. Olson: —allowing for tax relief on stationary grain dryers and changes in the income tax regulations to allow for accelerated depreciation of certain equipment. In addition, the government made provision for the waiving of certain sections of the labour code to permit existing drying facilities to be used to full advantage. Never before in Canadian history has a government taken so many steps in so short a period in order to be helpful to its farmers. The Minister of Industry, Trade and Commerce was instrumental in having the government take these steps and he ought to be applauded.

Mr. Horner: He was instrumental in not having grain moved fast enough.

Mr. Olson: Well, Mr. Speaker, the Minister of Industry, Trade and Commerce said that 23 per cent more grain was loaded on board ships in the port of Vancouver at the end of this year than in the corresponding period last year. That performance is not perfect, but we are improving. Some of our problems stem from the fact that there has been an unanticipated increase in sales.

Mr. Horner: No.

Mr. Olson: The hon. member says, no. I suppose none are so deaf as those who will not hear.

In supporting this motion it seems to me hon. members of the opposition are seeking partisan political advantage and headlines, which will do much damage to our grain industry. Hon. members of the opposition not long ago spoke about harvesting conditions in western Canada and said that much grain in western Canada will never be harvested. What happened? Well, over 95 per cent of the grain was harvested. I do not say it was harvested in ideal weather conditions, but nevertheless it was harvested. All the noise hon. members of the opposition made that Canada would have insufficient grain to sell, and so on, reached the ears of our overseas customers and much damage was done. We had to do a great deal of work to repair that damage for which hon. members of the opposition were responsible.

The motion says:

I ask leave . . . to move the adjournment of the house for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the virtual bottleneck and paralysis—

Mr. Horner: On a point of order, Mr. Speaker. The Minister of Agriculture knows that under the rules he may not impute motives to any hon. member or to any party in this house. In his diatribe against the opposition the minister has suggested we are seeking newspaper headlines.

An hon. Member: No.

Mr. Horner: He imputed improper motives to us. If he denies imputing those motives, fine and dandy. I submit he cannot deny them because an examination of *Hansard* will reveal exactly what he said. I think the minister ought to withdraw certain of his remarks.

Mr. Olson: I do not withdraw anything I have said, because I have as much right to establish a point as have hon. members on the other side of the chamber. The motion continues:

—in wheat movement in Vancouver Harbour—

Well, Mr. Speaker last week 380 cars, on an average, were unloaded in Vancouver every day, despite weather conditions which I admit were not favourable. In the summer, under ideal conditions, 650 cars per day may be unloaded. That figure has never been reached in wintertime.

Mr. Horner: It has.

Mr. Olson: It has not. The motion goes on to say:

—due to the failure of the government to work with the railways in scheduling box cars—

I listened to speeches from the opposition side and I have yet to hear one constructive criticism. Hon. members said, "There was not enough co-operation, not enough planning" and so on. They did not say where planning had broken down.

Mr. Woolliams: The government broke down.

Mr. Olson: Hon. members opposite obviously do not know that climatic conditions on the western prairies during the whole of 1966 were the most trying that western farmers have ever faced. That is a fact.

Mr. Woolliams: That is not a fact.

Mr. Olson: Despite that the farmers were able to harvest 95 per cent of their grain, notwithstanding difficult harvesting conditions. Grain has been moved from the field and is now in granaries. We doubled cash advances and made helpful and useful changes, even to the extent of putting a supplementary quota of three bushels per acre on damp grain.

Mr. Woolliams: He is beginning to sound like Jack Pickersgill.

Mr. Olson: That might not be so bad. He had a successful career. The motion goes on to say that we lost a 17,000 ton contract. The Minister of Industry, Trade and Commerce proved that is not so. So far nothing in this motion reflects correct facts. It goes on to say that:

—which has brought about stagnation in the movement of wheat at a critical time—

The government is trying to help the Wheat Board. They are trying to sell more grain and contact more customers. The headlines across the country may be that there is not enough grain in Canada to meet commitments. That does not happen to be true.

• (10:40 p.m.)

Mr. Horner: Talk to the ship owners; talk to the farmers.

Mr. Deputy Speaker: Order, please.

Mr. Olson: So much for that, Mr. Speaker. It is a fact that there is a shortage of No. 2 Northern to meet the increased amounts sold for delivery out of the west coast, and particularly out of the port of Vancouver, but I am pleased to advise the house tonight—because the Minister of Industry, Trade and Commerce did not have enought time to do it—that there are over 3 million bushels of No. 2 dry Northern, already graded up to export qualifications, in the terminal elevator at Moose Jaw, and I have before me—

Mr. MacInnis: Order them to get it moving.

[Mr. Olson.]

Mr. Olson: If I had enough time, Mr. Speaker, I could explain in detail why that grain has not been moved previously. I believe the Canadian Wheat Board and the Minister acted properly when they tried to get that grain out of country elevators, because there was quite a bit of No. 2 there, and they did this so that the farmers could haul in more to the country elevators. What's more, if the severe weather conditions prevailing on the prairies, and indeed at the coast, had not come about then of course we would never have had many of these problems.

Hon. gentlemen from the prairies ought to know about this. They know what happens so far as railway trains are concerned when the temperature drops to 30 or 40 below. Efficiency goes down to about 25 per cent.

Mr. Trudeau: They have forgotten, sitting here in Ottawa.

Mr. Olson: It is a fact that there are several million bushels of grain in the terminals, particularly at Moose Jaw, and I wish to advise the house that the C.P.R. issued a press release tonight, part of which I would like to read.

Mr. Horner: We know about it. They got their orders at four o'clock.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Mr. Olson: Thank you, Mr. Speaker. The release reads:

CP rail is marshaling diesel locomotives and box cars to load and move special trainloads of dry No. 2 Northern from the prairies to the Pacific coast, it was announced tonight.

Mr. Horner: Because of good work on the opposition side of the house.

Mr. Olson:

The first grain train will go into service later tonight at the request of the Canadian Wheat Board to assist in placing grain in position at the Pacific coast for export. "At the present time we have 3,787 box cars loaded with 7,500,000 bushels of grain at Vancouver or en route from the prairies—

"So far during the current crop year, CP rail has moved about 49,000,000 bushels of grain to the west coast for export, an increase of 31 per cent over grain shipments in the comparable period of the previous crop year."

Some hon. Members: Hear, hear.

Mr. Olson: I have only a few minutes left, Mr. Speaker, but I wish to say that I think these cries of everything going to wrack and

ruin, and the wording in this motion, are not a service to the Canadian grain producers or to Canada generally. In conclusion, Mr. Speaker, I want to say that the great problem that we have, and it is a great problem, in meeting all of these commitments is the adverse weather conditions. Anyone who wants to be even reasonably fair knows that that is true. It is a fact that in the cold weather train loads of grain that have to be pulled over the Rocky Mountains have to be reduced not only by half but substantially less than half so that there is enough power to pull them over the hill.

An hon. Member: That is not a new problem.

Mr. Olson: That is not a new problem but I wish hon. gentlemen opposite would hear me out. I sat here very quietly when they were speaking. In fact I was accused of being silent. The fact of the matter was that when we had these increased sales for December and January delivery coming at the same time as these very severe low temperatures, it was not possible for the Canadian Wheat Board, or indeed for the railways or anybody else, to schedule according to what is normal because this weather was not normal.

I am told that if the present cold weather stays in Edmonton for three more days it will break all records in the recorded weather history of western Canada for the longest period at the lowest temperatures. Now, Mr. Speaker, if that is the kind of criticism hon. gentlemen opposite want to level at the government and the transportation companies, that they should do something about this—well, that seems to be what they are arguing.

Instead of this kind of unjustifiable criticism, certainly the Canadian Wheat Board, the staff, the transportation industry and other sectors of the grain industry vitally involved in this whole thing should be urged to more efforts but they should also be commended for having made the best of a difficult situation under very adverse conditions.

Some hon. Members: Hear, hear.

Mr. Olson: I could deal with many of the other details that have been raised in the arguments offered but there is not much time left to me, Mr. Speaker, and a lot of this detail has been gone over a number of times during the question periods. I would hope that taking into account the economic well being of the grain farmers and of the other people in the grain industry, for this year and indeed for the future, we could have a somewhat higher degree of co-operation in trying to find solutions rather than what we have had thus far which is really nothing much more than severe, unjustified, unwarranted criticism.

Some hon. Members: Hear, hear.

Mr. Winch: Would the minister allow a question?

Mr. Olson: Yes, certainly.

Mr. Winch: In view of the minister's concluding remarks that the pile up was because of weather and, shall I say, an act of God will the minister please explain why, with all the wheat in the assembly yards in Vancouver and en route, four of our shipping berths are not being used because the right kind of grain is not in the right place at the right time?

Mr. Olson: Mr. Speaker, I hope I have enough time left to answer that question. I suggest that if the hon. member had done a little more homework he could have found out about that too. The answer is as follows: with the many grades and indeed the number of carloads of damp grain that are in the marshalling yards it is almost a switching nightmare to get the No. 2 dry grain out of there and into the elevators so that it can be loaded. That is part of it. The other part of the story is as the hon. member pointed out, that only about half of the grain in the marshalling yards and enroute to Vancouver was No. 2. I do not have the precise figures in front of me but I think that a very small percentage, less than 50 per cent of it, a minor percentage, is No. 2. Therefore, to keep the pipe line open it is necessary to do a very complex job of switching in those yards so that they can get the carloads of No. 2 switched out to the right terminal where ships are loading No. 2.

The hon. member also knows that the weather conditions in the port have not been normal. They have been severe and this adds to the difficulties of the men working in the yards, on the unloading chutes and all through the whole operation. The adverse weather conditions affected the total output. So, Mr. Speaker, it is not a question of someone standing around and not doing a good job, whether it be the workers in the marshalling yards or at the terminal elevators along the way. It is that they have been

working under very severe weather conditions all the way from the prairies right to the port.

• (10:50 p.m.)

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I believe I would be derelict in my duty as a representative of a rural area of western Canada if I did not take a few minutes to take part in this very important debate this evening. In spite of the criticism we have heard from the Minister of Agriculture (Mr. Olson) about my colleague the hon. member for Mackenzie's (Mr. Korchinski) motion I wish to congratulate him for introducing this very important matter before the house at this time.

Last year on November 28 I had the privilege of moving a motion to adjourn the house in order to debate a matter of a national emergency concerning the serious situation that was taking place on the prairies at that time. I can recall, as can the minister and others opposite, that there were no less than 12 members from western Canada supporting me in the house at that time. I believe the defence of the government at that time was pitiful. Now, two months later we are still faced with this serious situation in Western Canada. I deplore the minister trying to defend himself and members of his government by criticizing us for bringing this situation to the attention of the house.

The world knows that in Canada we produce the best quality of wheat. It is because of this that we want to maintain our position in world markets. Despite the Minister of Agriculture saying that we should not be raising this issue there are headlines in every newspaper which one picks up such as, "Grain-drying problem worsening", "Wheat markets facing threat", "Farmers must dry grain at home", and so on. This goes on day after day. These statements come from responsible members of the news media right across Canada. Why should we in this house not defend the interests of the farmers whom we represent.

Although I must admit our congenial Minister of Industry, and Trade and Commerce (Mr. Pepin) tried to mesmerize us somewhat with his very congenial delivery here in the house tonight, he attempted to minimize the situation. He mentioned there was only twice as much wet grain this year as in previous years, when the fact of the matter is there is three times as much.

[Mr. Olson.]

Last November 27 Mr. McNamara, the head of the Canadian Wheat Board, pointed out that the largest amount of damp wheat we ever had was something like 120 million bushels. This year we have 380 million bushels of wet wheat in western Canada and in addition have several hundred million bushels of wheat, coarse grain. This emphasizes the seriousness of the situation. On November 28 I tried to impress the government with the idea that they should get the wet grain to the terminals and this would mean that they would have to get the dry grain moving quickly. As we know, the St. Lawrence Seaway is closed in the winter and our greatest terminals are at Fort William and Port Arthur. At these terminals only approximately 8 million bushels of grain can be dried per month. We should have moved as much as possible to those facilities and left the pipeline to the west coast open. But the government, because of its inexperience or for some reason, took it upon themselves to open up a three bushel quota for wet grain and more or less lull the farmers into an artificial state of complacency by making them think this would solve the problem. Then they immediately plugged up the western pipeline so that when customers placed orders for dry wheat we could not meet the situation.

I have had a good deal of experience in respect of this situation, although I did not do as much homework as the hon. member for Vancouver East (Mr. Winch). It so happens that a few weeks ago I was at the port of Vancouver. I saw there a large number of boats waiting to load grain. At that time, as has been pointed out, there were something like 25 or 26 boats. A number of berths were not being utilized for the simple reason that we did not have the right type of grain to service the boats that were waiting.

As has been pointed out there is the very serious situation in respect of the Wheat Board having to foot the demurrage bill. I hate to think of what the situation will be if Canadian farmers find they have to help to defray the demurrage payments. Members on this side of the house have continued to prod, pound and even hound the government into taking positive action to meet the catastrophic situation which faces western agriculture. There are chiefly three problems. The first is the inefficiency of this government through lack of experience and indifference. The second is the greatest pile-up of damp grain in Canadian history. Then, thirdly, there is the lack of wheat markets which has allowed

the pile-up of dry grain in all the storage facilities we have such as in farmers bins, country elevators and terminal elevators.

I say that this problem has been aggravated because of the fact the government did not take cognizance of a situation in which the farmers are up against one of the worst economic difficulties faced in Canadian history. They have a huge carry-over of grain from the year before. They have a huge pile of wet grain and do not have the money to finance the drying of it. The minister criticized us because we have not made constructive suggestions. I criticize the government for not doing one of the things they should have done. They should have created initiative on the part of the farmer to help himself. I suggested that acreage payments might be provided in an amount up to $400 to each farmer. I believe that in times of emergency it is necessary to subsidize a major industry like agriculture. It is well known that the export of agricultural products in this country represent the second largest source of income which the country has. The wood pulp industry accounts for the largest, but agricultural production is the second.

Agriculture is a most important factor in the economic life of Canada. If the agricultural industry is allowed to go down the drain, which this government apparently is willing to allow it to do, we will feel the general effect not only in the agricultural industry in western Canada but right across this great nation. I feel that if the government had taken seriously our suggestion of several months ago and had provided an incentive to each farmer to help him pay the cost of moving drying equipment into position, this would have made a great deal of difference. In the most recent survey we found that there are about 3,200 pieces of drying equipment in western Canada and that only 900 are being used. The reason is that the farmers have not been able to foot the bill for the cost of moving these dryers into position. They do not wish to send good money after bad because with the loss of markets they are afraid that they might not be able to pull themselves out of the hole. They believe their industry is so important the government should be showing some initiative in recognizing this fact by assisting them in getting these dryers into position.

• (11:00 p.m.)

I suggested last fall that the government should have co-operated with the provincial governments to provide freight assistance to move these dryers into position. This should have been done on a 50-50 basis. I was pleased to note that the Saskatchewan Government Power Corporation is going to contribute free gas connections to farmers who have gas dryers installed to help them dry the grain. This is a case of a crown corporation taking the initiative from the federal government which has the basic responsibility for this problem. This is an example of a provincial government understanding an emergency in western Canada and doing something, but it is still not enough. This is an area in which the federal government should have moved long ago.

Back in 1961 we experienced the worst drought in the agricultural industry. We provided subsidy payments in co-operation with the provincial governments to move haying equipment into position in order to provide forage for our livestock. In the case we are now considering, we should be moving equipment to dry the grain.

Other hon. members from western Canada have made suggestions, and the minister has mentioned several things that have been done. These have been appreciated, but they have not been sufficient. We are still faced with the problem. I do not see why the government should excuse itself by saying it has done everything that can be done. There are many other things that could and should be done. The hon. member for Provencher (Mr. Smerchanski) presented the most ridiculous argument I have ever heard when he tried to get the government off the hook by suggesting this is a wheat board responsibility. This is like suggesting that when you hire a man to do a job you should not have to tell him what to do or how to do it. After all, if you are going to hire somebody to do a job, as we have hired the wheat board, you should give some direction. I am sure the wheat board officials would appreciate some direction from the government.

This government has recently begun to give the wheat board some instructions, but only after the emergency has become apparent. I do not want to belabour the situation, but I have had the opportunity of discussing this matter at some length in recent weeks and I want to emphasize the seriousness of this situation. We, as hon. members of the opposition want to make every effort to come up with some solution to solve this major emergency facing the Canadian grain and agricultural industry in Canada.

Grain

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to say at the outset that if there has been any damage done as a result of this debate it is the result of the government's inability to cope with the overall problem which was brought to its attention many months ago. I was surprised that the Minister of Agriculture (Mr. Olson) decided to stand up in this house and suggest that other countries are being scared off our market, because surely he knows that is absolutely wrong. He is doing nothing but trying to get off the hook.

In November of last year during the transport committee hearings the following question was asked of the president of the Canadian Transport Commission:

> What responsibility does the Canadian Transport Commission assume in so far as distribution of box cars is concerned?

I suggest that behind this whole problem lies the distribution of box cars.

The president of the Canadian Transport Commission replied:

> I understand that if there are complaints that Canadian box cars are being hoarded by American railroads, or if there are arguments to the effect, as there sometimes have been, that American cars are unduly delayed here in Canada, this is something that the railway transport committee certainly looks into. In fact, they are looking into this very question at the moment.

That was November 28. As late as January 17, I posed a question in the house to the Minister of Transport (Mr. Hellyer) concerning the number of box cars that are now across the line and whether there was an equitable distribution of them. The minister's reply was:

> There are a considerable number, Mr. Speaker. I think this will be reflected in an answer to a written question which will be tabled next week.

The president of the Canadian Transport Commission was asked that question on November 28, and there is no justification for the minister to say on January 17 that some time the following week we would find out how many cars had been left in the open. We do not know whether they are across the border or on some other service of the Canadian railways.

At the committee hearing on November 28 we asked about the distribution of cars. The president of the Canadian Transport Commission said they were concerned about the problem and were looking into the distribution of box cars in Canada. He said they did not necessarily look at the distribution unless they were directed to do so, because really the Canadian Wheat Board and the railways co-operated to this extent.

My colleague the hon. member for Regina-Lake Centre (Mr. Benjamin) then asked whether the Commission had the authority to order the movement of box cars to a particular location in Canada. Mr. Pickersgill said that was a nice question. That is as far as we got in trying to find out where box cars are located. If one looks at the delivery points across western Canada it is quite apparent that there is a surplus of No. 1 Northern at many of the elevators. I am sure the ministers concerned are quite aware of this. No. 2 Northern is in short supply in many areas at this time.

I realize this indicates a very serious situation, but many of the people are wondering whether some of our customers will not accept No. 1 Northern in order to move it out of the elevators. They wonder whether consideration cannot be given to moving this wheat instead of No. 2 Northern. Some of the elevator agents have been trying to mix No. 1 Northern with No. 3 Northern in order to come up with what they thought would meet the requirements but because of the mildew they ended up with No. 3 Northern. This did not meet the requirements of our customers, but indicates the degree of co-operation on the part of those concerned with the problem in trying to come up with a suitable solution.

Another problem concerns the movement of cars generally and exactly where we stand in this regard. Both ministers have indicated at some length that everyone concerned is co-operating to the fullest in this respect. I suggest that in Vancouver at this time there is no hold-up in the port or the elevators. The hold-up results from the fact there is no movement of wheat from the prairies. We know that Canadian Pacific is handling at this moment from 175 to 200 box cars. Normally they can handle 300 or more cars, As has been indicated by the Minister of Agriculture (Mr. Olson), the two railways combined can handle more than 600 box cars.

The news from Vancouver this morning was that the elevators can handle all the dry wheat that can be moved. The minister suggested that the situation in Vancouver is one of the important factors as far as the movement of grain is concerned. I believe he is a little out of touch with exactly what is happening. We know there is absolutely no indication that the railroads have any problem

with regard to Vancouver. I refer to putting No. 2 Northern into position for shipment. Extra crews are working in the yards, and I am sure the railroads can look after the situation.

I was quite amazed, to say the least, when the Minister of Agriculture made his great announcement about the Canadian Pacific news release concerning what they are about to do. Hon. members know what happened at about 2.30 this afternoon. The few remaining Liberal members in the chamber indicates that there is not very much concern on that side of the house. I suggest that they consider the time when this question was raised today. At about 2.30 this afternoon the hon. member for Mackenzie (Mr. Korchinski) moved his motion, which was accepted by Mr. Speaker. At four o'clock instructions were issued from Winnipeg to the railway terminal at Moose Jaw telling them exactly what to do.

• (11:10 p.m.)

We knew there were 190 cars of No. 2 northern in that yard waiting to be moved. We also knew after four o'clock that a train was ordered for the west with a 70 car drag. We also know that orders were issued that all the No. 2 northern grain must be moved as soon as possible, and it was exactly four o'clock this afternoon when the message was received at the terminal. After the action was taken in the house, we knew wires would go out to that terminal and no doubt to many other terminals across the country. I suggest this indicates that it takes the action of the Opposition to move this government off its fat back. This is another example of what can be done if there is an indication from the government of their sincerity to do something for the economy of the country. A notice is sent from Winnipeg that additional units are to be put on to carry the grain west. Workers in the terminal were called on to work time and a half oiling box cars and getting them out.

I happen to have worked for some years on the railroad for an excellent company. They will co-operate if they have the co-operation of the government, but often they find that they load these cars with grain and they are then left in a siding. There is no justification for the government allowing this situation to exist this long without getting the railway companies involved directly. I am sure that if you look at the figures, you will find the railroads are willing to co-operate if there is some indication from the government and from various departments that they want to do something about the problem.

With regard to what the Minister of Industry, Trade and Commerce (Mr. Pepin) said about these trains only hauling 30 cars in comparison to double that amount, in good weather, we must realize the reference is probably to a one unit operation. After the decision taken in the House, no doubt the Canadian Pacific, and the C.N.R., will move these trains efficiently and quickly to the port of destination.

I suggest that the operation could probably have been much more efficient if there were not as many mishaps and derailments. I believe this is something with which the Minister of Transport (Mr. Hellyer) is morally obligated to deal before the week is out. There is an indication that there is an overall increase in these mishaps, which naturally delay the movement of grain. I can assure the house that there is a great delay in this regard.

I would like to conclude, since I know other hon. members wish to speak and we do not want to drag the debate out past 3 a.m. However, I suggest that in my opinion the government is trying to lay the blame on the Opposition. I suggest that the amount of time the ministers of this government have taken trying to cram through the house an unnecessary increase in interest rates could have been well used in co-ordinating the movement of grain, the need for which they could have anticipated.

Another thing which I would like to respectfully suggest is that the government has spent a considerable amount of time trying to set up the national grains council. I assure you that although we do not oppose the national grains council, the time taken up by those people could have been used to better advantage. I respectfully suggest also that it could well be when the top echelons of our civil servants in the various departments connected with this critical issue were compelled or requested to take the language course this then directly created a lack of coordination within the departments. It is my considered opinion that too many of our top civil servants have had to go to these courses at this time.

Mr. Deputy Speaker: Order, please. I suggest the hon. member return to the issue before us.

Mr. Lambert (Edmonton West): He is on it.

Mr. Skoberg: With great respect I suggest that what I said with regard to these courses was relevant inasmuch as these courses were partly responsible for the lack of co-ordination which gave rise to the situation we are discussing. I believe every member of the house is sincerely interested in co-operating with the government to the fullest extent, provided the government, in turn, is prepared to reciprocate. It is farcical for the minister to suggest that we were opposed to the Canadian Wheat Board, as he must know. Not one member has ever criticized the Wheat Board as such, and we believe the Wheat Board should be given the fullest support in its endeavours. But in order to do its job properly, the board must have the support of the ministers with whom it works, and I suggest it does not have this backing.

As to sales, I am sure that if there had been unexpected sales the government would have used the occasion to make headlines across the nation. The only sale they did announce—and the announcement was made with a great fanfare—turned out to be a continuation of an arrangement already made. I am sure we would have heard about it by now if there were really big new sales in the offing.

I cannot agree that the action of the opposition has had anything to do with sales overseas at any time. The markets are there for the getting, and if we make a concerted effort and co-ordinate all the departments involved, I can assure the minister sales will be forthcoming. At present there are too many departments which are reluctant to interfere with each other. If they would get together, something could be done.

Mr. Don Mazankowski (Vegreville): In rising to participate in this debate I shall probably not be as colourful or as carefree or as charismatic as the Minister of Industry, Trade and Commerce (Mr. Pepin), nor do I wish to be, nor shall I try to be. I feel the subject before us is of utmost seriousness.

I welcome, as do all hon. members, particularly those from the prairies, the announcement by the minister that some 3½ million bushels of No. 2 northern wheat are being moved from the terminal at Moose Jaw. I would say this is another victory for the opposition, thank to the hon. member for Mackenzie (Mr. Korchinski). I am sure he can be considered as a very good friend of the western Canadian farmer.

[Mr. Lambert (Edmonton West).]

From the remarks made by the Minister of Agriculture (Mr. Olson), one might conclude that the present prairie grain situation is bright. It would appear it has improved vastly in the past eight hours. Seriously, there can be no doubt that Canada's grain industry is in serious difficulty, despite what the Minister of Trade and Commerce and the Minister of Agriculture (Mr. Olson) have said.

Indeed, the situation is such as to constitute a grave national emergency. A production, distribution and marketing system that was once a model for others and constituted the backbone of this country's economic well-being is today paralysed and impotent. Ships waiting to load Canadian wheat for foreign buyers lie idle on the Pacific coast. Railway arteries are clogged with the wrong grain in the wrong place and at the wrong time. Farmers on the prairies are sunk in debt under huge piles of dry grain that cannot be moved and damp grain that cannot be exported.

• (11:20 p.m.)

What has happened to this system that in happier days sold and shipped countless millions of bushels of grain without serious interruption and to the satisfaction of producer and customer? I believe that the basic cause of today's disaster lies in the refusal of a series of Liberal governments to undertake the basic overhaul of grain production, marketing and distribution methods which has been urged not only by members on this side of the house but by others who are knowledgeable experts in this field.

The immediate causes of the situation that could kill new wheat sales and jeopardize renewal of contracts with our traditional buyers are, I believe, the lack of foresight by responsible officials, the absence of government concern, government inaction over the past few critical months and, last but not least, lack of concern on the part of the Minister of Industry, Trade and Commerce (Mr. Pepin). If since assuming office last summer the minister had spent some time acquainting himself first hand with the responsibility he has in regard to Canada's grain producers, who last summer were overburdened with record surpluses of grain, rather than touring South America on a ministerial junket and appearing on television, he might have come to realize the important role that our grain industry plays in this very important export trade. Perhaps then he might have realized that he had been rewarded with a very challenging and interesting job.

The Canadian Wheat Board is the minister's responsibility, and I suspect that the Wheat Board must accept a good portion of the blame for the present situation. How much more falls upon the responsible minister when the wrong grades are in the wrong place at the wrong time, as the hon. member for Vancouver East (Mr. Winch) stated. I submit, Mr. Speaker, this is not an act of God. While the Minister of Agriculture (Mr. Olson) has no direct say in these matters, it is still reasonable that we should expect him as an agricultural leader and as a farmer to take a close interest in anything that works to the detriment of his own area of responsibility. In my opinion the inaction the ineptitude and the lack of knowledge of the Minister of Trade and Commerce have worked to the detriment of our western wheat producers.

When I spoke about foresight and the lack of it, I had reference to the fact that the problems of fulfilling commitments for dry grain and handling vast amounts of damp and tough grain, the result of last year's inclement weather and terrible harvesting season, must have been apparent to the experienced officials of the Canadian Wheat Board. They must have experienced this situation some months ago. Not only that, the government of this country was cross-examined many times by members of this house, and the answers we received were ludicrous.

We were referred to as "publicity seekers". One headline read: "Opposition Publicity Seekers Hurt Wheat Sales, Says Olson". We were accused of damaging our foreign markets. We were not publicity seekers. We were seriously concerned about government inaction and offered our suggestions and solutions and alternatives, watching the serious situation unfold before our very eyes. We suggested the government give assistance by making available large grain dryers, by making advance payments for grain drying, or by some form of acreage payment assistance. The Minister of Agriculture replied by saying, as reported at page 3569 of *Hansard*:

> —hon. members opposite are seeking publicity and it is my right to express my opinion also.

The fact that you, Mr. Speaker, saw fit to allow this emergency debate indicates the seriousness of the situation. I suggest that publicity had no effect whatever on your decision.

More than any other body in this country the Wheat Board knows how much wheat of any grade in a certain condition must be shipped from where to whom at specified times. Furthermore, it must know existing contractual commitments to foreign buyers who become more fickle and illusive every day in the existing grain market. Knowing these obligations, how can the government have planned so badly as to fill grain storage facilities with damp grain instead of with dry and marketable grain? How could the minister responsible be so casual about such a grave question and leave detailed planning to others without taking any interest in what was happening? The government had a responsibility in this general area.

As other hon. members have said, about 30 ships are waiting to be loaded in Vancouver harbour. At the same time dry grain, some of it three years old, sits on the prairies and cannot be sold because it cannot be moved. The empty ships are costing our prairies farmers about $2,500 a day each in demurrage costs.

What can one say about the Canadian wheat producer? First he was hit last summer by a strike of grain handlers at Lakehead elevators, and the government took no action until wheat shipments had been delayed to the maximum possible extent, storage facilities clogged, box cars piled up, and our customers frustrated. Next, our wheat producers were hit by dreadful weather conditions during the harvesting season that left them with a diminished crop that was damp, tough and unsaleable. They also had a formidable carryover of unsold grain from previous years.

Then the Wheat Board and the Ministers of Agriculture and Industry, Trade and Commerce said that the individual farmer was responsible for drying his own grain. Most farmers had no drying equipment and to buy it would cost money. With sales dwindling and poor quality crops our producers were faced with the dilemma of whether to invest money in dryers or await a breakthrough in the marketing of damp and tough grain. To make matters worse, western farmers were short of cash. Credit was tight. Firms drying grain commercially required guaranteed payments from farmers which farmers could not meet. Yet throughout this period, even though the government had ample time to act and ample warning of what lay ahead it did nothing to help our farmers in their extraordinary difficulties.

When government inaction and indifference were finally overcome and when the government offered to help farmers in drying their damp grain, it was too late. You just cannot

dry grain in the 30 degree to 40 degree below zero temperatures we have had on the prairies. To do what they could to help the Canadian Wheat Board embargoed shipments and thus sales of dry grain and devoted all shipping resources to shipping damp grain to terminals for drying. This policy has resulted in the worst tie-up of grain storage facilities in Canada's history.

• (11:30 p.m.)

It is beyond me, Mr. Speaker, why the minister did not take a leaf from the book of previous ministers who have been responsible for the Canadian Wheat Board and name a transportation controller or, if you like, special commissioner, whose word would be final and who would have jurisdiction over the railroads, the Wheat Board and everyone else, who could break up the log jam, co-ordinate the movement of box cars with supply and demand, and generally bring order out of chaos.

The Canadian grain industry has indeed sunk into a pitiful situation under the present government. We have lost sales to traditional customers and we have failed to make sales to new customers. We are not likely to make any new sales when the trade learns of our present predicament. Why, we are in such a mess that we could not even give our wheat away. Just before Christmas, on December 23, the newspapers carried a story of how a gift of 35,000 tons of Canadian wheat for two African countries was loaded on ships but held in Canada because the two countries said they had never asked for it and would not accept it. Do you call that planning? Do you call that co-ordination? The only things the government has been able to co-ordinate are high interest rates, high taxes, and now high demurrage charges.

The present mess is damaging and pathetic. It is another chapter in the gloomy story that has been unfolding over the past several years of Liberal government. But bad as the present situation is, I believe that sincere action by the government could remedy the situation to a certain degree. But such action may only bring temporary relief. It may not correct the basic weaknesses of our outmoded system which is forced to operate in changing times and a changing environment. I believe that the system has to be overhauled, and we on this side of the house have advocated changes in the production of grain, the sale of grain by the producer, in the marketing of our produce abroad and, above all else, changes to update our distribution system.

[Mr. Mazankowski.]

If we do not modernize our techniques, take a fresh look at conditions and make new appraisals of existing conditions, if we do not multiply and modernize our grain handling and distribution facilities, then all emergency measures that this debate may bring about will be fruitless. They will simply postpone the evil day when Canadian wheat ceases to be a major item of export and Canadian grain production a major support of our national economy.

During the last election campaign we heard a great deal about the great things that the government was going to do. There were to be sweeping changes, new concepts, new approaches, new initiatives, a reshaping of this and a reshaping of that. After the election the Prime Minister (Mr. Trudeau) said that good government is rather dull at times and is not exciting.

One of the policies that the government brought forward concerned a national grains council. We have heard nothing of it lately. Surely such a body as a national grains council would prevent a situation of this nature. Mr. Speaker, I am afraid it is the same old story, words with no action, promises without fulfilment.

I believe we require an honest endeavour by those responsible to look at the whole changed picture of the world wheat market, at Canada's place in it, and that this long careful look must be followed by action which will put us back into global competition and retain the great grain industry as a major national asset. We need action to restore some life to our western economy which is so dependent on grain markets. We need to restore the cash flow and to relieve the heavy burden of debt that has resulted from the costs of producing, harvesting, storing and drying the overabundance of grain that is on hand. We cannot afford losses of sales like the recent one to Japan of some 17,000 tons estimated to be worth some $10 million.

Whatever government action may come as a result of this debate, and I hope it is quick and effective, whatever may be done now to solve the immediate crisis can only be an emergency measure. Beyond that lies the absolute necessity for a basic re-assessment of and fundamental changes in our organization and policy. If this debate has done no more than pinpoint the need for future action it will have served its purpose well.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, we are hearing again

from members of the opposition about a particular point in their present panic in respect of the immediate situation with regard to wheat. I should like to go over the history of their panic tonight and take a look at what they do, what they accomplish and how they fail so greatly to serve the people whom they ought to be serving best.

First of all I wish to draw the attention of the hon. member for Mackenzie (Mr. Korchinski) to the complete inappropriateness of his use of the word "stagnant" to describe the grain movement situation. I might point out to him that "stagnant" is defined by the dictionary as "becoming motionless, having no current, ceasing to flow".

The Acting Speaker (Mr. Béchard): Order. Is the hon. member for Cape Breton-East Richmond (Mr. MacInnis) rising on a point of order?

Mr. MacInnis (Cape Breton-East Richmond): Yes, Mr. Speaker. My point of order arises from the disagreement by the Minister without Portfolio (Mr. Lang) with the use of the word "stagnant" which is in the motion put forward by the hon. member for Mackenzie. In so doing the minister is reflecting on the decision of the Chair to allow this debate to take place. Any reflection on the wording of a motion which has been accepted by the Chair is certainly a reflection on Your Honour in occupying that position. I would ask that the minister withdraw the remark.

Some hon. Members: Withdraw.

Mr. Lang (Saskatoon-Humboldt): The hon. member for Mackenzie used the word in circumstances which are clearly and completely inappropriate in view of the facts. I should like to point out once again that wheat exports in fact are higher this year than they were at the same time a year ago. They total 125.4 million bushels this year compared with 103.7 million bushels last year at the end of December. I wish to point out also that so far as the Vancouver situation is concerned shipments in the crop year from August 1 to December 31 from the Pacific coast totalled 56.9 million bushels compared with 33.8 million bushels in the previous year. Does this look like stagnation to the hon. member?

I point out to the hon. member that notwithstanding the answer which the Minister of Industry, Trade and Commerce (Mr. Pepin) gave to him yesterday about carloadings he repeated the same insufficient information which he had before him. From August 1 to January 17 carloadings to Vancouver totalled 44,165 cars compared with 38,211 cars in the same period in the previous year. Does this look like a slowdown or stagnation?

• (11:40 p.m.)

It is completely clear that this has been a difficult harvest year and that there were very important things to attend to in getting damp grain to the terminals. It was important that those who have responsibility in this regard, like the Wheat Board which was under severe attack by opposition members tonight, should take this question and give it serious attention. They did this with the result that drying facilities now operate on a 24 hour a day, 7 day a week basis drying grain. Let me point out to hon. members opposite the manner in which the Wheat Board has in recent days calculated the wheat which still remains to be dried, and the way in which it has drawn to the attention of the farmers specifically what they could do in the way of drying grain and what the farmers must do themselves.

I should now like to point out to members opposite the nature of the general panic over the days, weeks and years. Let me draw to their attention respectfully the damage they do to the western agricultural industry by this kind of action. This year they talked about the panic as a result of their feeling that grain was going to stay under the snow. Sometimes they panic because it rains too much, and sometimes they panic because it rains too little. They panic always, and ask the government to do something.

After these people got over the panic about the harvest they began to panic about damp grain conditions. While panicking about this they began to panic about the quota system being even. They panic about low grain sales and they panic about demurrage being payable when the Wheat Board is carrying out its proper responsibility in attempting to maximize sales. The Wheat Board must take the appropriate risk that demurrage might be payable. This is a risk the Wheat Board deems to be appropriate from time to time in order to maximize sales. The Wheat Board goes all out to make sales, but members opposite begin to panic about demurrage.

Not only does this constant attitude by members opposite upset the efforts of the Wheat Board to sell grain abroad, it does something at home. They call for government help for farmers on every occasion when

something occurs, whether as a result of nature or of the economic system of grain handling, which is disadvantageous to the farmer. That leads people who hear about agricultural problems in the west to believe that western representatives are not worth listening to. When the hon. members' panic at one moment is gone, it is replaced by another panic the next moment.

I suggest to members from agricultural constituencies that there is a fundamental message which they should be preaching and getting across to members from central Canada and to the people of this area. They should be talking about the fundamental problems facing agriculture in a broad, economic way. There is a fundamental problem in relation to the fact that every group, bar a few in Canada, has power to adjust its income when it sees fit; yet the farmer has no such protection. This is a matter of a fundamental kind which members representing agricultural constituencies in the west should be concentrating their attention on. They should not panic about interest rates on farm credit loans, because that is a form of uneconomic farm subsidy which ignores the whole picture of real needs and costs.

Some hon. Members: Hear, hear.

Mr. Lang (Saskatoon-Humboldt): I suggest hon. members opposite are doing a disservice to their constituents in this respect.

Mr. Horner: You people would rather subsidize the banks.

Mr. Lang (Saskatoon-Humboldt): Members opposite come into the house and say they are not attacking the Wheat Board. The Minister of Industry, Trade and Commerce is in this house tonight answering the charges they lay against the Wheat Board. The Minister of Industry, Trade and Commerce is in constant contact with the Wheat Board about all matters. I say to hon. members opposite, and particularly the hon. member for Crowfoot (Mr. Horner) and the hon. member for Vegreville (Mr. Mazankowski), that their remarks about the service the Minister of Industry, Trade and Commerce is giving to the Canadian farmer are not only discourteous but are downright reprehensible.

Mr. McIntosh: You haven't heard anything yet.

Mr. Lang (Saskatoon-Humboldt): I have the honour of working closely with this minister and am able to judge far better than they the quality of his service and the manner of that service to the western farmer. Only last night the Minister of Industry, Trade and Commerce again met with the Wheat Board. These questions are always in his mind.

Hon. members opposite have today pointed to some of the serious difficulties with which we are faced. This is the problem. There are real, serious difficulties involved in an operation as large as this and there will be times when hindsight would be a very valuable asset. I gather that the hon. member for Crowfoot has it. He suggests we might have left the wheat on the prairies because the 40 degree below weather in Edmonton is very valuable for storing wheat. There is no way in which one can foresee these things. The Wheat Board must make the best decision it can on the facts available to it when it has to make a decision. This is what the Wheat Board does.

There are serious questions which must be examined. Is the local elevator system adequate to meet the needs of today? Do we have enough terminal facilities? Can we afford more? Should we have enough facilities for peak loadings? Can we pay the price? Serious questions like these must be examined. I look forward to the examination of these questions in a thorough fashion by the National Grains Council which is being set up to look into these very matters. In this council the best minds involved in the operation of the whole grain industry will be brought to bear.

I point out to hon. members opposite that while they have been panicking, some things have been done of great merit and help to the prairie farmers. The doubling of the cash advance has been a godsend at this time. This new scheme, which comes very close to buying the wheat on the farm itself, is of tremendous help to the prairie farmer. This year, to date, $122 million has been taken out in cash advances.

An hon. Member: That demonstrates how broke the farmers are.

Mr. Lang (Saskatoon-Humboldt): This is almost twice as much as the maximum amount ever taken out in a whole year. This program is of significant help to the western farmer.

Mr. Horner: We realize that the policy is good. After all, we brought it in.

Mr. Lang (Saskatoon-Humboldt): Members opposite panic from issue to issue. By ignor-

ing the facts they do a disservice to the Canadian farmer. By the news they spread abroad they do a disservice to the Canadian farmer. By the completely unwarranted attack upon the functions of the Wheat Board they do a tremendous disservice to the cause of prairie agriculture. Above all, they do a disservice by diverting attention to false arguments when they should be paying attention to the solid, sound, economic arguments which can in fact be made on behalf of prairie agriculture.

• (11:50 p.m.)

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, the last thing I heard the Minister without Portfolio (Mr. Lang) say, and he was bragging about it, was that loans to farmers had been doubled. I would like to ask the minister why they were doubled. Was there not a need for that?

Mr. Speaker: If the hon. member wishes to relinquish the floor his speech will be over and I will call another member.

Mr. Gundlock: Mr. Speaker, I would like to ask the minister—

Mr. Speaker: Order, please. The minister has finished his speech. The hon. member for Lethbridge has the floor and he should make his speech.

Mr. Gundlock: This may be so, Mr. Speaker, but through you I would like to ask the minister why the loans were doubled. He is bragging about it and he is saying there is no need for it but I must point out there must be a need because they were doubled.

Mr. Speaker: Order, please. I am sure the hon. member realizes that we are not in committee now. As I suggested a moment ago, the minister completed his speech and resumed his seat. The Chair recognized the hon. member who has the floor now and who, I am sure, will want to continue his speech.

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I rise on a point of order. I would like to correct the last statement of the hon. member.

Mr. Speaker: Order, please. The minister cannot rise on a point of order to correct a statement. That is not a point of order.

Mr. Lang (Saskatoon-Humboldt) May I say the hon. member was misquoting me, Mr. Speaker?

Mr. Speaker: Order, please. It is not a point of order to correct an alleged misquotation.

Mr. Gundlock: Mr. Speaker, I sat here and listened to the minister. His seatmate is leaving. We have listened to facts and figures all evening, mostly about the weather. The government says this is the greatest day in history for the movement of grain. However, if I may, Mr. Speaker, I wish to tell the minister that last year was the worst year in history for the movement of grain. This almost reminds me of a joke. We hear a lot about movement of grain but not about deliveries. How about the deliveries? That is what we are talking about. We have heard from many ministers tonight and especially from one very vocal minister who can really put on a show, namely, the Minister of Industry, Trade and Commerce (Mr. Pepin). I hope we will hear from the Minister of Agricutlure (Mr. Olson). However, we have heard mostly about the movement of grain while we are really talking about deliveries.

If the rules will permit, Mr. Speaker, I might tell a story about that. I recall that before we had simultaneous interpretation in the house all that could be understood was that it is very easy to conceive but very hard to deliver. So far as I am concerned as a western farmer, this is the position of the government at present. They can do a lot of talking but it is very hard for them to deliver. The main trouble is that they talk so much about it and do so little. We have listened for about two hours to stories about the weather. I ask you, Mr. Speaker; is there anything new about Canadian weather this year? Granted, it may be a little cold in Calgary, but is there anything really new about it? All the minister was doing was making excuses. The farmers do not want to listen to apologies and excuses. They want some answers, and perhaps the best answer would be for the government to keep its hands off the Wheat Board.

An hon. Member: Make up your minds.

Mr. Gundlock: That is just fine. I have heard it said in this house that when you are after big game you do not bother with rabbits. What are we after tonight? The hon. member for Vancouver East (Mr. Winch), made an impassioned speech. I feel the same way as he does, because I am a farmer.

A few moments ago I was about to make a comparison between the Wheat Board and the C.B.C. The Wheat Board is presumably a producer owned organization, a producer controlled organization. From some points of

view, the C.B.C. is a comparable organization. But it is left free to run its affairs from day to day. We have listened tonight to speeches for hours and hours and we may listen longer still. Because we are farmers, because we are producers, the government says one thing on one side and another thing on the other side.

The Minister of Agriculture, who has really nothing to say about the situation, nevertheless talked a great deal, and members will see his speech in *Hansard*. I know what he had to say when he was talking to his constituents; he is a neighbour of mine. He said we had to send No. 2 wheat from the inland terminal at Lethbridge. We heard talk from the minister about a three bushel quota. I should like to ask the minister: where are the deliveries?

We are here representing the farmers, and I have to speak for them. I can do so because I am one of them. I know what the quota is; it is three bushels at my delivery point. The Minister of Trade and Commerce has assured me that I have a three bushel quota. Well, I wish he would tell my banker. What will be the answer? Sure, there are a lot of cars going today. The hon. member for Vancouver East told us there were lots of cars moving now. The hon. member says he called Vancouver at 4.30 this afternoon. But according to the Wheat Board even the minister did not have the figures that he gave.

• (12 midnight)

An hon. Member: It was 5.30.

Mr. Gundlock: Well, there is one hour's difference between here and Winnipeg, so I concede that. But what happened to all the box cars that were on the way? They were returned because they could not be unloaded in Vancouver.

The Minister of Agriculture and the Minister without Portfolio mentioned No. 2 wheat. I should like to know where this wheat came from and where was it bound for. I am a farmer and I know what the quota is. The minister does not have to tell me that I have a three bushel quota. Hon. members opposite should not laugh. That is why we are here tonight, because they have been laughing about this matter.

We are told the C.P.R. can only handle 30 cars instead of 150 because of the weather conditions. On the main line at Calgary there are 250-car trains, and this at a time when the temperature is 26 degrees below zero. So does this talk about the weather make sense? All we have heard are excuses and apologies which have nothing to do with the Wheat Board.

I listened to the speeches this evening. They were interesting. Yet I hope when the minister speaks later to wind up his debate he will point to something real that has been done to help our farmers. Of course, when anyone talks about wheat, chickens, eggs or what have you he is talking about agriculture. The Minister of Industry, Trade and Commerce is a very pleasant sort of person, and some of us would not mind if he swapped portfolios with the Minister of Agriculture.

The hon. member for Frontenac (Mr. Dumont) talked about co-operation between eastern and western Canada. I know perfectly well that the people of eastern Canada need more grain. In some instances they bring it in from the United States. They should buy a lot more from the west. We are willing to co-operate with them.

Tonight we heard much talk about subsidies and helping our farmers. Actually, the government does not pay subsidies to our western farmers. You might say that the government pays subsidies toward the shipment of grain going east. That is one way of looking at it and I find no fault with that. The people of the east need our grain. Our internal grain trade can only promote co-operation between the people of eastern and western Canada.

I am glad to see the Minister of Industry, Trade and Commerce back in his seat. When we are not in the house or in our respective constituencies I enjoy his company. I remember full well that before the Christmas recess there were not enough box cars to move wheat, all existing box cars in my constituency being tied up in moving wheat. They were unloading No. 2 wheat from an inland terminal, apparently on orders of the Minister of Agriculture. I ask this question: Who is responsible for the Wheat Board and for our grain commissioners? Is it not the Minister of Industry, Trade and Commerce? Apparently he is responsible for those bodies, and yet in some ways he is not. I think the minister knows full well what I am talking about. As I said, Canadian Pacific box cars were busy unloading grain from an inland terminal, but they had no cars available to help my constituents fulfil their quotas.

• (12:10 a.m.)

I am speaking about the three bushel quota we have heard so much about. I do not have it yet. Why? Cars were busy unloading an

inland terminal because they could not find No. 2 wheat all down the line. In the midst of my constituency, north, south and west, there was No. 2 wheat—

Mr. Speaker: Order, please. I am sad to have to interrupt the hon. member but his time has expired.

Mr. Gundlock: I shall take only one more moment, Mr. Speaker.

Mr. Speaker: The hon. member may continue only if he has the unanimous consent of the house. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: I regret to say that apparently there are some objections.

Mr. Lorne Nystrom (Yorkton-Melville): First of all, Mr. Speaker, I would like to say that I am rising to participate in this debate because I know that in the constituency I come from this is an emergency not only to the farming population of the area but to the entire population of Yorkton-Melville, and indeed to all the people of Saskatchewan. The crisis, as I see it, has been building up for a number of years. It has not happened only because of things that occurred recently. Basically it is an accumulation of many things.

The farmer has been caught in a cost-price squeeze. The costs of farm production have been going up, indeed skyrocketing. The costs of farm machinery, fertilizers, even land, and all the other commodities a farmer has to use to produce a bushel of wheat have increased. Meanwhile the price the farmer is getting for a bushel of wheat and many other commodities has not been increasing substantially and at times has been falling. Because of the crisis we also have in Saskatchewan and in the western part of Canada this year a lack of cash for the farmer. Farmers need cash if they want to continue in the farming industry. In addition, bank interest rates have gone up and the farmer has a much more difficult time borrowing the money he needs to keep his operation going. Not only will this have a drastic effect this year but it will cause disruptions in following years in the agricultural industry in western Canada. Furthermore, it is not only the farm community that is affected but the rest of the economy as well.

For example, when wheat is not moving we know that the farmer is not going to be selling wheat. As a result he will not be buying commodities, and when commodities are not purchased by the farmer the businesses directly involved in supplying him will be affected as well. In other words, all sectors of the economy are affected. Basically every person in western Canada is a farmer whether he is living on a farm or not, because either directly or indirectly his prosperity is tied to the farming economy.

Just this evening, Mr. Speaker, I was talking to a person who runs a furniture store in the small town of Canora at the northern end of my constituency. He tells me that his sales have gone down drastically this year as a result of the crisis in the farming industry. He also talked about other businessmen in his community. Some of them, particularly in the machinery business, have seen their sales go down by over 80 per cent. This is the kind of thing that is occurring especially in the smaller centres in Saskatchewan.

I was talking to another man from the small village of Jedburgh, and I was told that in that place the elevator will be closed down for a month if grain does not start moving. They have not got the necessary box cars. The grain produced in that area is tough, damp and of inferior quality. What have we got to combat this situation? Increased interest rates! The farmer is having a much more difficult time getting the necessary cash to run his operation.

I would also like to submit, as other hon. members have done, that the crisis in the grain industry today is a national emergency. It has repercussions for the entire Canadian economy. That is why we should be concerned, no matter what part of the country we come from. That is why we should try to clear up the problem confronting us today. It is a problem that is affecting many other industries.

One thing I would like to comment on that has really made me quite sick and mad throughout the debate so far is the statistics that have been quoted by various cabinet ministers, in fact by all three who have spoken in the debate, as well as by the other government members. They tell us how things have improved in western Canada during the last few years, but anybody who has been out west knows that things are not good enough. We know they have not improved.

At any rate, you cannot tell the farmers that they have improved. They know they have not.

I should like to invite the Minister of Trade and Commerce to come to Yorkton-Melville or any other western constituency, spend only one day there, and talk to the farming people. Regardless of the statistics he quotes I am sure he will then know that something is badly lacking in the farming industry today. It is no joke. I am very dismayed when I hear people opposite laugh at the situation in which the farmers find themselves today. I believe that the Prime Minister (Mr. Trudeau), when speaking in Winnipeg, summed up the attitude of the government toward the farming industry when he suggested it is basically the farmers' responsibility to sell the wheat. This is the kind of attitude we see across the way today. It is essentially the philosophy of Liberalism or limited government. They do not want to become involved; they want to lock up the problem in a closet and throw away the key. It is just like Biafra; they lock up the problem there and say that it does not exist.

There is no co-ordination or planning. They speak, for example, about establishing a national grains council. What will this do? It will probably provide another bureaucratic institution with more red tape, protocol and confusion. Then we start asking why people are really becoming fed up with things and why the country is becoming restless. We ask why there are demonstrations and riots in our society. I think the answer is apparent. People want action from governments at all levels. Some day the farmer will become fed up with what is happening to him. He is tired of being continually slapped in the face. Maybe the next time the Prime Minister comes to Saskatchewan he will not only be met by demonstrating students but also by farmers unless something is done immediately in an effort to alleviate the problem of the farmers of Saskatchewan and the west.

I think all of us in this house know that many farmers are sliding into poverty. Things are rough. If they have grain, they cannot sell it or it is tough, damp or of inferior quality. It seems ludicrous that while we talk about wheat sales and lack of markets two-thirds of the world population is living at a level of deprivation. It does not seem right when we have so much grain. I have heard many members of the government insinuate that the farmers are lazy and complacent about drying their own grain. Why do they say this? I think the members of the government should look at themselves. They have shown a lack of leadership. The people on the farms

do not have the cash to dry all the grain they want to dry or if they do some of them do not wish to run the risk because of the poor operations that are going on.

This evening many members have quoted statistics. They have spoken about many things. All I want to say is that we should get down to doing some good, basic planning because the farmers of western Canada and all the people in the smaller communities in the country as well will suffer if we do not. We must do something constructive. It has been suggested that we appoint a controller who would go to Vancouver to help supervise the loading of ships and clear up the bottleneck. This is one thing we could do. There should be more co-ordination between the Wheat Board, the transportation system, the National Harbours Board and the government in trying to alleviate the problem. In the long term we must really support the agricultural industry of this country. We must look for any new alternatives that people can explore.

This crisis is just one of a number we see in the farming industry in Canada today. On behalf of the people of my constituency I plead that the government do something immediately to alleviate the crisis which faces us today in western Canada.

• (12:20 a.m.)

Mr. Paul Yewchuk (Athabasca): I am going to try to be as impartial as I can.

An hon. Member: I thought you were going to say brief.

Mr. Yewchuk: I shall be brief in my remarks as well. I should like to begin by stating that the Liberal government, since it has been in power, has been known as a government having no real concern for western agriculture. What is happening here tonight is typical of the way this government deals with problems, particularly agricultural problems. This government waits for a crisis to occur and then scurries around in an attempt to come up with some emergency solution. There does not seem to be any thought of looking ahead or trying to foresee an emergency, and doing something about it.

In spite of repeated warnings in the past two months or so that a crisis situation was developing in respect of wheat sales, the movement and drying of wheat, no effective government action has been taken. The Minister of Agriculture (Mr. Olson) and the Minister of Industry, Trade and Commerce (Mr. Pepin) gave us repeated assurances that

something was being done and that things were not so bad for the farmers. They gave us assurances that everything possible was being done.

The Minister without Portfolio (Mr. Lang) said we were panicking. Perhaps we are because we are concerned about this problem. I submit that the minister and his associates have had their heads in the sand hoping that the problem would disappear. Now that they have pulled their heads out of the sand, they have found the problem is still with us.

Perhaps our panic has been a good thing because, as the hon. member for Vegreville (Mr. Mazankowski) has stated, it has stimulated some action. Markets for grain are difficult to find, but this government cannot even meet the few commitments it has made to deliver the grain to whatever markets are available at this time. Ships are anchored at Vancouver but grain is not being loaded. Grain is not moving from the prairies to the coast. There does not appear to be proper co-ordination, and co-ordination is required without question.

Since the onset of this session the government has seen fit to put through several farm bills raising interest rates. I have in mind the farm credit measure and the prairie farm advancements. As a result it feels that the problems have been solved. Government members have sat back in their chairs and patted themselves on the back. I do not think they have any reason to do so. These actions were the result of crises situations and were all short term measures. We must have something better. We should have intermediate and long term plans.

If there have been any intermediate or long term measures, I should like to hear about them from some member of this government. We have given repeated warnings about damp grain but no action has been taken. We have given warnings about the insufficiency in respect of the movement of grain, but no action has been taken. We heard recently the announcement by the Canadian Wheat Board that less than half of the damp and tough grain would be dried and that the other half might be spoiling. Somewhere around 2,500,000 bushels of wheat might possibly spoil. This is a loss our country cannot stand.

The government boasts about having new faces in the cabinet; new men who will present new ideas. These men were supposed to come up with some new answers, but the farmers are still waiting and the ships are still waiting at Vancouver. We are still waiting to ship our products to our markets.

We are losing our markets and we are being asked to be proud of the way this government is handling the problem. For the benefit of the Minister of Agriculture, who made the request that we should make suggestions rather than just criticisms, let me suggest something which may help to solve this problem. I think the suggestion can be summarized in two key words; communication and co-ordination.

Communication is required between the government, the various agencies associated with the collection of wheat from the producer, those associated with the transport of wheat and those associated with the loading of wheat on ships for markets. Communication is required within this groups, and co-ordination as a result of that communication. I would like to reiterate, for the benefit of the Minister of Agriculture, those two key words—communication and co-ordination. I hope the minister takes them home and thinks about them.

Mr. John Burton (Regina East): Mr. Speaker, I have done many things in my life at twelve thirty o'clock at night, but very seldom have I made a speech at this hour. However, I believe this is an important subject to discuss even at this late hour. It is a subject that affects the livelihood of many people in this country, not only those in western Canada but the people in my province and in particular those in the constituency which I represent. Indeed, Mr. Speaker, it affects people right across Canada. I think this fact was demonstrated very forcibly this evening when we had a very positive and useful contribution by the hon. member for Vancouver East (Mr. Winch). He pointed out the situation which exists within his own constituency and noted its impact upon the residents of the heart of the city of Vancouver.

At the outset, I would like to clarify and discuss several points that have come under discussion tonight. First of all, I would like to deal with the point raised by the Minister of Agriculture (Mr. Olson) in particular, who once again suggested as has been suggested by government members in the past, that whenever any of us on this side of the house dare to ask questions regarding the grain industry of Canada or the activities of the Canadian Wheat Board, we are attacking the Wheat Board and undermining its position.

This is absolutely false. That statement is not worthy of the Minister of Agriculture or any other minister.

I suggest that the greatest disservice that can be done to the Canadian Wheat Board is for ministers to continue to hide behind its skirts whenever they are trying to work their way out of a difficult spot. I want to make it quite clear that in our criticisms, as far as I and my colleagues are concerned, we are pointing at the government and nobody else. I think the Wheat Board is doing a good job. We have on that board competent, good men who are trying their best to do a job. They are fallible, of course; they make mistakes on occasion. We shall not fault them when they make an honest mistake, because this happens. Our criticisms are directed at the government because of its failure to take the action which has been recommended to it.

Second, Mr. Speaker, I should like to deal with the statements of the Minister of Agriculture and the Minister without Portfolio from Saskatoon-Humboldt (Mr. Lang). They suggested that the points raised by members of the opposition have been doing great damage to the grain industry. So far as I am concerned, the damage to the grain industry has already been done and is being done by the lack of adequate government action to deal with some of the problems facing western Canada. I feel we must keep before us at all times—and this point has been made by members on all sides of the house—that really the immediate crisis we face is only part of a larger problem. I refer to the general income problem, and the general cost price squeeze that faces the farmers of western Canada. I think it is important to keep this in mind.

• (12:30 a.m.)

I received a very interesting letter this week from one of my constituents. I would like to read it into the record because I think it is very pertinent and refers to something that should be kept in mind. This letter reads as follows:

> I am at a loss to know why the Wheat Board opened the quota to three bushels per seeded acre before the unit was delivered, or at least to give a farmer a reasonable time to haul his unit. I am one out of quite a few who haven't been able to haul a bushel. I am a half section man so the 400 bushels mean as much to me as 1,500 does to the man with two or three sections. I harvested less than 900 bushels this last season of very poor grade which I might add is five or six damp or even feed.
>
> [Mr. Burton.]
>
> I don't think I need remind you of the position most farmers find themselves in. Someone is going to have an awful headache before this time year. Even so we do get a good crop the coming season that won't solve our problems.
>
> Trusting you may be able to give me some sort of a solution to problem.

I suggested a number of things to this gentleman in answer to his letter, and I assured him that for my part I would do everything possible to help. But I must point out that in his letter this gentleman pointed out very forcibly and clearly that we have two items before us: One is the very immediate problem of deliveries, marketing and transportation which we have been discussing, and the other is the far larger one of income, the cost price squeeze and the rehabilitation which is needed in many areas of this country.

I would like to point out that the crisis that is before us is a national problem. It is something that affects many areas of the national economy, and unless we find adequate solutions it will jeopardize the welfare and the well being of many parts of the Canadian economy.

Over the past several months we have witnessed a series of recurring crises. The Minister Without Portfolio, the hon. member for Saskatoon-Humboldt (Mr. Lang), attempted to paint this situation in terms of opposition members panicking as problems arose. I would suggest that members of the opposition pointed out very validly some of the problems that were facing western Canada and, as was their duty, asked the government what they were going to do about them. From time to time we also put forward positive proposals to deal with these problems. For example, the hon. member for Regina Lake Centre (Mr. Benjamin) on December 5 put forward 12 different proposals for the consideration of the government. On one other occasion, on October 15, I put forward 8 different proposals for the consideration of the government. Other members of this house and members of my own party have also put forward proposals.

First of all, we had a difficult harvest. We do blame the government for quite a few things that have happened, but certainly no one would suggest that they were to blame for the difficult harvest situation that existed this fall. Then, we also had a slow marketing situation. I could go into this at some length because I think the government has to bear some responsibility, going back for a period of more than a year, with regard to the small marketings and the low level of exports that

we have witnessed over the past year. Certainly, when the Minister Without Portfolio and other members of the government tried to point out that the exports this year are higher than they were at the same point last year, that is really not bragging about very much because last year they descended to the lowest level for quite a number of years. This of course brought on a situation of low and slow deliveries. Following this, as a result of the harvest conditions, we had the problem of tough and damp grain.

Finally, the government acted and brought in the three bushel quota for tough and damp grain. I think it is recognized in all quarters of the grain industry now that this quota has been responsible for some of the problems which are presently facing the industry. I will not deal with this at any length but I think it should be noted in a discussion of this subject, not that there is a three bushel quota now but that the introduction of this quota has worked some inequities and has helped to produce some of the problems that exist in the grain industry at present. As a result, it was quite obvious there would have to be a very extensive drying program. Farmers started to dry grain on their own, but it was not very long until reports were coming back that a number of samples of dried grain were tested by the Board of Grain Commissioners and rejected. This left farmers in a quandary as to what to do. There is still no real direction from the government as to what might be done on a co-ordinated basis in terms of pooling the resources of the federal and provincial governments, of the grain industry, and of farm organizations to deal with this difficult problem.

After that there was a shortage of box cars, which again created a difficult situation. Action was taken and the problem was eventually overcome. Then, there were difficulties about unloading at the terminals, and some of these are still plaguing us. Then a grave situation arose at the Port of Vancouver, causing serious injury to the grain industry.

What is the solution? It seems obvious that we need more adequate co-ordination and direction within the entire scope of the operations in the industry, including farm deliveries, the operations of elevator companies, transportation and terminal companies, shipping companies, the Wheat Board and the Board of Grain Commissioners. There needs to be better direction, and proposals to this end have been put forward on a number of occasions by members of this party.

I, myself, have made proposals to this effect. The minister's reply to a recent suggestion of mine was that we should first do some co-ordination here. I do not mind that but I do submit that co-ordination is first required on the part of the government. Requests have been made for the appointment of a transport controller, or a grain controller to help bring this co-ordination about by dealing with all aspects of this situation. This proposal is not new. In 1955, for instance, a transport controller was appointed and I believe he did an effective job. In the early 'sixties a problem arose in connection with heavy sales to China, and the government of the day to its credit called upon the services of a former commissioner of the Wheat Board, Mr. Riddell, to supervise and co-ordinate activities at Vancouver. From the information I have, I gather that the different authorities concerned felt they were doing all they could to deal with the situation. However, when they got together with the co-ordinator they found they were able to improve their operations and speed up the handling of the grain.

The minister seemed to reject this idea yesterday; he thought it would result in the onus being placed upon one man to take action. I believe it has been shown that this is not the case, provided the individual concerned approaches his duties in a sensitive manner and bearing in mind that there are different authorities involved each with his own sphere of operations. Up to the present we have seen a disjointed approach by the government.

• (12:40 a.m.)

Finally, we have the comments of the minister in this debate tonight. In the contribution of the Minister of Industry, Trade and Commerce (Mr. Pepin) he reported that there were 31 ships in the port of Vancouver at this moment. The hon. member for Vancouver East (Mr. Winch) noted that there were in fact 33 ships either waiting in the harbour or at berth at 5.15 this afternoon, Ottawa time, I believe. So, he must have more up to date information available to him.

The Minister of Industry, Trade and Commerce related a number of problems that had been experienced over the past few weeks. He mentioned there had been weather problems, and this is true. He pointed out that the handling of high moisture grain involves certain difficulties, that it was a very slow process to unload and handle such grain. I do not quarrel with that.

The minister also noted that there had been a stronger demand for grain than was anticipated earlier this fall, and I do not quarrel with that statement either. I understand new export orders came in early in December which were additional to the orders previously expected. The Wheat Board decided to follow a policy of optimizing its sales and undertook to work out the transportation problems later.

So far as I am concerned, I give the Wheat Board credit for taking that action. I have no doubt that the Wheat Board followed up its decision by taking all the necessary steps, within its area of authority, to see that deliveries were made to the purchasers of grain. But the fact is that these steps were inadequate.

The minister seemed to question what exactly was his function. Is it his function to operate the wheat marketing system and to instruct all the officials involved as to what they are to do? I would say that that is not his function. The minister noted that it is his function to support that organization, and I agree fully with that statement. I urge him to fulfil that function by appointing a grain controller or transport controller to deal with the current problems facing us, and with other problems which I predict will arise over the next few months.

When we look at all the difficulties outlined by the Minister of Industry, Trade and Commerce—

The Acting Speaker (Mr. Béchard): Order. I understand the minister wishes to ask a question.

Mr. Pepin: May I ask the hon. member what the minister is supposed to do with the advice that he gets?

Mr. Burton: I suggest that he has to sort through the various suggestions made to him and reach a decision. The particular course of action that I recommend at the present time is the appointment of a grain controller to co-ordinate all aspects of grain marketing.

Mr. Pepin: That is one opinion.

Mr. Burton: That is one opinion and I recommend it to the minister. I think it has received a wide measure of support tonight from all sides of the house. I heard the hon. member for Assiniboia (Mr. Douglas) suggest that it would be very useful to have a transport controller, and I commend him for putting that suggestion before the minister. This is the course of action that is required. What is needed is co-ordination, direction, and an attempt to achieve a proper working together of all elements and sectors of our grain handling industry. This is the sort of support the minister should give the Wheat Board to help it do the job we all want to see it do, and which it has been doing its level best to do. Lack of government action has resulted in despondency and confusion among western farmers. That has been aggravated by the fact that the government has so often said in this house, "Everything is fine; there is no problem. We have everything in hand and there is nothing to worry about." The farmers of course have seen that is not so. Lack of adequate government direction has resulted in the farmers of western Canada fearing for the long term future of their industry.

Tonight, we must consider what must be done to help our farmers. As I have already said, for heaven sake let us appoint a controller of grain and a controller of transportation to make sure our grain is marketed properly. Second, and this point arises from my first point, let us make sure that enough No. 2 wheat arrives in Vancouver, but not too much. In its panic reaction to existing circumstances the government may dump too much No. 2 wheat from western Canada into Vancouver, attempting to make sure that overseas commitments are met. The result may be that we will have too much No. 2 wheat in Vancouver and not enough of the other grades.

Third, I suggest that compensation through the Canadian Wheat Board should be made for demurrage and other special costs which have arisen this year, in part because of lack of government policy and direction during the past few months. Fourth, we ought to provide some form of direct financial assistance to farmers in drying grain. That has already been discussed in the house. Some of us do not feel that the government's proposal to pay $600 more in cash advances to farmers will help our farmers. Many of them feel that, with conditions as they are, they are unlikely to repay that advance by July 31 next. We must give direct financial assistance to farmers in order to help dry their grain. That will be in the national interest. Fifth, we ought to embark on a long range program to help elevator companies instal drying equipment. Recently members of the Saskatchewan legislature, including the leader of the opposition, Mr. W. S. Lloyd, made a special trip to North Dakota to see how grain was being dried

there. They learned that in practically every elevator in North Dakota grain may be dried. It is an accepted practice that grain is dried in or near country elevators in that state. In this country it is much more difficult to harvest wheat and it seems to me Canadian wheat producers would benefit in the long run if we adopted a practice similar to that carried on in North Dakota.

Mr. Deputy Speaker: Order, please. I must interrupt the hon. member to advise him his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: No.

• (12:50 a.m.)

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I would feel very remiss if I did not take part in this important debate tonight. I want to congratulate my colleague from the Mackenzie riding for bringing this very important subject before the house. Because our constituencies are adjoining, I am sure we have similar problems.

On September 25 last, as recorded at page 466 of *Hansard* for that date, I addressed several questions to the Minister of Agriculture (Mr. Olson). The first one reads:

> My question arises out of the very serious situation that has been created in western Canada owing to the very wet and impossible harvest conditions. Many farmers are going to be up against a serious feed shortage unless they have especially good weather in the late harvest season. Has the minister and his department asked the P.F.A.A. officials to make a survey of the seriousness of the situation?

The minister replied that this was being done. My supplementary question, which was ruled out of order, was as follows:

> —have any plans been made to assist farmers with regard to drying facilities for wet grain? In order to get feed for livestock many farmers will be forced to take tough or damp grain off the land.

At that time the minister said a survey was being conducted. I wish to point out that many people who have had a complete crop failure have not received their P.F.A.A. payments as yet and they do not know when they are going to receive them. Much of the crop in that area was damaged by frost, and when farmers got the rest of it off the land it was tough and damp.

Cabinet ministers talk a lot about the three bushel quota. I would like to tell you, Mr. Speaker, what the three bushel quota means in my area. When the three bushel quota was established the officials had not made a survey. The local elevator was full of grain from last year, yet in a letter to me the wheat pool chairman said that the largest shipping point in Saskatchewan had not received one single box car in a four-week period. Can you tell me what good the three bushel quota was when the elevator was full and there were no box cars? This demonstrates the seriousness of the situation.

The three bushel quota was really detrimental to many of the farmers in the area because they harvested lots of grain that would have been far better if it had been left in the swathe. Now, they find it impossible to buy the necessary drying equipment, or hire it. It is impossible to dry the grain because of the adverse weather.

The situation is not a laughing matter although I notice that a lot of members on the government side tonight seem to think it is a laughing matter. It would not be a laughing matter to them if they received some of the letters sent to me telling of the seriousness of the situation in which people find themselves. In the past few days I have received letters from people who cannot provide for their families. These people have no grain to ship. They cannot haul it out. The elevators cannot take some of the grain because it is too wet. It is certainly no laughing matter.

I notice that the Minister without Portfolio from Saskatchewan (Mr. Lang) talked about doubling the cash advances on farm store grain. This is not too much help to a farmer who doesn't have any grain, but it brought back to my memory how members on the government side, when in opposition, criticized the cash advances legislation my party introduced. They said the Wheat Board would walk off the job if we did such a thing, but now they double the amount of the cash advances. I think this was a necessary move. I know a great many parts of western Canada will reap benefit from it, but it certainly will not benefit a farmer who has not any grain.

I think this matter is so important that I would remain here even if it meant having my breakfast here in order to represent my constituency. Members of the opposition have continually brought the urgency of the situation to the attention of the government. I notice that the Prime Minister (Mr. Trudeau) did make a statement in Winnipeg that he did not think it was up to the government to sell wheat. That is all right; the Minister of Industry, Trade and Commerce throws his

hands up in the air and says, "What do you expect me to do." He should not wonder what he should do. What in the world is he doing there? He might be a very good fellow, but if he is not doing a good job let someone do something about it. I do not think a country such as Canada can afford, in a situation of this kind, to have a member from Montreal trying to represent western Canada. If he does not know what he is supposed to do, then for God's sake let the government put someone in there who does know what to do.

It appears to me that the government is doing everything it can to kill the goose that laid the golden egg. I suggest that we let our mind wander back not too many years. The government in office at that time had western Canada stripped right down. But under a Conservative government the farmer of western Canada was given an opportunity. Look how quickly that government put all the factories to work and everything began to move. The unemployment situation was cured. But look at the predicament in which western Canada is today. Where has the buying power gone? All one need do is look at the record of machinery sales. I believe these are some of the things the government should consider. Not only the Minister of Industry, Trade and Commerce but also the Minister without Portfolio should realize the seriousness of the situation, as should the Minister of Agriculture (Mr. Olson).

I was home during the holidays and never before have I seen a situation in my constituency as serious as that which exists today. Yet members opposite sit here tonight and laugh. This is not funny; this is a serious situation. We have heard about the seriousness of the situation in Vancouver. We heard from the hon. member for Vancouver East (Mr. Winch). He certainly knows something about the situation in Vancouver harbour. I had the opportunity to see what a really great institution that is for handling grain. If the grain is not moving and we have to pay demurrage charges, then they will have to come out of the price we receive for the wheat. It only brings $1 a bushel. My father received twice that much 30 years ago for a bushel of wheat. How can a farmer carry on in this day and age when that is all he can get for his wheat, and out of that he has to pay all this demurrage expense.

I was very happy that Mr. Speaker allowed this debate to take place. I feel it is very important that the people whom I represent should have heard from me on this important subject. The Minister of Agriculture and others have heard the plea from one of the former prime ministers that they should go out there and look into the seriousness of the situation. If they do not think it is serious, let them come to Meadow Lake. I will show them, and I will also show them some letters I have received. Many farmers will be in serious difficulty when they come to put in new crops. This is something that should be considered. I heard a very good suggestion today. The government should encourage elevator companies to instal grain drying equipment.

• (1:00 a.m.)

During the Christmas recess I discovered that a lot of small dryers are not operating efficiently. I discovered that a great deal of grain has not been dried properly and has been rejected. A great deal of grain in western Canada has been overdried or burnt. Farmers cannot sell this grain. Most of the farmers do not want to spend another 20 cents per bushel on this wheat because they feel they cannot sell it.

If anyone thinks this situation is not serious he should go out and observe it first hand. This government should be worried about the situation. It is not a laughing matter that we are here at this time of the morning. It is very important to the western farmer that the government take some action when the farmer is saddled with tough and damp grain.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the hour is getting late. I do not represent a western Canadian farm riding but I have been very interested in this debate and I hope the government has learned something. I note that the Minister of Agriculture (Mr. Olson) and other long standing members of the agriculture committee are standing outside the curtain. They must know that over the years agricultural problems have changed. These problems have been brought to the attention of the government since I have been here but the government has found no solution.

The new minister from Saskatchewan has suggested that somebody has pushed the panic button. This is a very interesting remark, particularly to the unemployed in this country. I suggest the minister is unemployed, but the farmer in this country is not interested in that fact. He has too much to think about because of his own problems.

These farm problems are always regional. When they occur the farmers get after their members of parliament to do something about them. Unfortunately, there is insufficient action on the part of the government. Some years ago we had an opportunity to consider the problems in respect of wheat production. The committee on agriculture at that time presented a report to this house, but obviously the minister has not read it. He is not aware of the recommendations that committee made. Had those recommendations been implemented many of the problems in respect of box cars would have been alleviated.

It is my opinion that the minister should not have control of the Canadian Wheat Board. This government agency has been transferred from one minister to another over the years. I have a great deal of respect for this minister who has inherited this responsibility. Since I have been a member of this house the responsibility for the wheat board has rested with the Minister of Agriculture, the Minister of Trade and Commerce and one or two others.

Perhaps the minister should consider putting the wheat board under the direction of one of the ministers without portfolio because this agency is responsible for many problems which affect the entire country. The production and sale of wheat is an important part of our economy. I do not know what ministers without portfolio do, but one of them should interest himself in this matter.

The minister responsible for this government agency is now handling an extremely important portfolio and the addition of this responsibility is ridiculous. To throw the Wheat Board, which is a major responsibility, on top of his other responsibilities is idiotic. The minister has great capacity but I am sure that even he cannot pay full attention to these four major responsibilities. I suggest that at least two of them, and probably all of them, are running into some difficulty because of his inability to cope with all these problems.

One had only to look at the minister's desk this evening to realize how much responsibility he has. He had on his desk a pile of correspondence that he had been answering for four or five hours. And this is on overtime; it is not done in normal hours.

The Wheat Board is an important agency, but let us face another problem. The chairman of the Wheat Board is a great propagandist. He has a personal machine that never allows him to come out at the worst end of any question or mistake that may occur. The minister or somebody else may be blamed for a mistake, but in my experience Mr. McNamara will not be blamed—and my experience covers a long period of time. The chairman of the Wheat Board does a good job and looks after himself.

Many things could be done to solve this problem. There have been in the past a great many problems in this industry. The Minister of Agriculture (Mr. Olson) thinks he has to defend himself against all these problems. He does not. I do not think all members of parliament would accuse him of having been responsible for the weather, the mistakes created because of the quota system or those of the industry. They may. However, I think they would be speaking figuratively and really would not hold the Minister of Agriculture directly responsible for all these problems. But they hold the government responsible in the sense that action could be taken to solve the problems but it has not been taken.

The government has not taken action to solve the problems faced by this industry. One or two solutions to the problems were contained in the report of the committee which studied the matter. First, we have a very lousy transportation system for moving grain. We obviously cannot continue to handle the quotas produced by the farmer. The committee said that if any emergency arose we would be in serious trouble. We had probably the best co-operation in respect of our transportation facilities, the country elevators and terminal elevators in the ports of Vancouver, Prince Rupert and at the head of the lakes for a period of two or three years when we handled much more than we should have been able to handle with the facilities at our disposal.

In respect of this industry we are operating out of a box car. We do not operate the potash industry or any other industry in this country to the best advantage. Modernization will have to take place in the grain elevators and other facets of the agricultural industry. It does not behoove us to continue the practice we have followed in the past. We must build new elevators. We should not use elevators which were designed 50 years ago simply because the people in the community have a vested interest in them.

We would be much better off if we built elevators which had drying facilities in them. Farmers should not have to have drying facilities on their farms. There may be a drought for three years, good crops for five

years, and two years of an excess of rain. For eight or ten years a farmer may have to use drying equipment on only one or two occasions. We cannot afford this situation in regard to our elevator arrangements.

When we went out to western Canada I am sure every member of the committee was shocked when he learned something that probably even the farmers do not know. When we walked into the Moose Jaw terminal we found it had in it less than 20 bushels of grain. This had been the situation for many months. They had 40 employees. If each of them had taken one bushel of grain home, that elevator would not have been needed at all. That terminal facility could be putting class II wheat into export shape for marketing in three or four days. All you would be doing at the elevators, either at the head of the lakes or in Vancouver, would be moving the grain into the ships that were tied up in that area. The necessity this year for drying grain as well as for putting it into export position has made things much more difficult. The situation could have been coped with much more easily in the terminal elevators than the elevators at the ports.

• (1:10 a.m.)

As everyone knows, there has been great reluctance to use the port at Churchill. The facilities at Churchill could have been used to a far greater degree for European export of wheat, probably three or four times as much. This recommendation has been made by all transportation people in the Churchill area. They have said that if grain were moved to the port at Churchill the cost would be less than in moving it to other ports. Yet this was not considered until an emergency arose.

I suggest to the Minister of Industry, Trade and Commerce that he set up the commission which has been recommended. He has the choice of either setting up a commission to co-ordinate the transportation or one to handle the whole co-ordination of the grain movement. The grain commissioners have a responsibility in this field, as have the country elevators and the Wheat Board. It is difficult for each and every one of them to be in contact with each other. For instance, I am told tonight that there has been another bad train wreck in the Edmonton area. If this is so, these shipments could be rerouted by a transportation commissioner with teletype facilities in his office. He would know the movements of the C.N.R. and C.P.R. and could make appropriate arrangements.

If we do not have such a facility I suggest we will be in continual difficulty. The facilities we do have are archaic and we should seriously consider what to do about this problem on a long term basis. Everyone concerned with the industry and with agriculture has done a very good job in their own field to make possible the deliveries that we have made over the last four or five years. This is a unique year because of the drying problem. There is also a general problem in the field of agriculture which is developing very rapidly. I refer to the high interest rate on purchases which the farmers have to make. Obviously this has had some effect on the ability of country elevators to buy drying equipment. So there have been special problems this year.

If the minister considers himself big enough to sit on this whole problem he will find himself in exactly the same situation as the one which his great predecessor, C. D. Howe, had to face. He was not big enough and he had to obtain the help of other competent people. If the minister wishes to call these people executives and appoint them to his own staff in charge of specific aspects of this problem I would not be opposed to such a move because I believe it would get the job done. But if he waits until each of these boards reports to him and carries out the work of co-ordination on the basis of those reports he will find he is considerably out of touch.

This problem has been with us for a number of years and until Members of Parliament get up and make a noise nothing ever seems to be done. The present situation has developed to some degree during every one of the 12 years in which I have been here, and I think the Minister of Agriculture will bear this out. Nothing new has been said in this debate. There is no emergency with which we are unfamiliar. For God's sake let us sit down in the agricultural committee and settle some of these problems or at least those which are capable of solution.

I do not say these things in a partisan way. The object is to maintain as much of the export market as we can, and this involves not only supplying the desired grain in the proper condition but supplying it on time to fill the ships as they arrive. It means that grain should be moved uniformly so that all farmers have an appropriate quota and so that no dislocation arises in connection with our transportation or harbour facilities. The

movement of grain should be co-ordinated in such a way that the right grain reaches the right place at the right time. If this can be done Canada will have a future in the marketing of grain.

I have no personal or constituency interest in the grain industry but from the experience I have gained as a result of the opportunity of travelling across western Canada I am sure that unless some major changes take place, originated by the government, there will be a serious calamity affecting our ability to export at prices which will allow farmers a reasonable return while enabling us to meet the international price structure.

Mr. Robert Simpson (Churchill): Mr. Speaker, having listened to the debate this evening on this important subject I should like at the outset to offer my hearty congratulations to the hon. member for Mackenzie (Mr. Korchinski) for instituting this discussion.

We have listened to what the Minister of Industry, Trade and Commerce (Mr. Pepin) had to say. He attempted to show that the government had done everything in its power to alleviate the present situation at Vancouver, and he ended by asking: What is my job? I suggest that the minister responsible for the Wheat Board should work in close harmony with the Minister of Agriculture (Mr. Olson) and that the two should get their facts and figures straight. No doubt they have to a certain extent. But on one hand we found the Minister of Agriculture telling us that the unloading of cars at Vancouver was going on at a very good rate—he said some 300 cars a day were being unloaded—while on the other hand the Minister of Trade and Commerce tells us that because of damp grain and weather conditions it has taken an hour on many occasions to unload one car. I wonder how those figures can be reconciled.

• (1:20 a.m.)

We also had a lecture from the Minister without Portfolio (Mr. Lang) who attempted to tell the opposition what they should be doing instead of bringing to the attention of the government the damp grain situation. He went over some aspects of the problem and said that we should spend out time finding solutions instead of panicking when the damp grain problem manifested itself last fall, panicking again when deliveries could not be made on time, and panicking further when ships were held up at anchorage in Vancouver harbour. If the Minister without Portfolio feels that the opposition is panicking, then it is very fortunate that the hon. member for Mackenzie and those who have supported him panicked, as the minister called it, on this occasion.

One point that has been brought out very forcibly in this debate is that in spite of the minister's statement that the government has no authority to dictate to the Wheat Board or to any other body that handles grain in Canada, the farmers of western Canada will be amazed when they discover that one result of this debate today has been the announcement in the house that orders have been given to ship with all haste all of the No. 2 grain that can be shipped from elevators at Moose Jaw. I am also amazed by the very caustic criticism that has emanated from government benches in regard to matters that opposition members have brought to the attention of the house in this debate. I am convinced that had it not been for this debate the order to ship No. 2 grain from Moose Jaw would not have been given. I understand it was also ordered that overtime should be worked to the limit in order to get the grain moving as quickly as possible.

If those on government benches are in no position to dictate or even to suggest to the Wheat Board or the Board of Grain Commissioners what they should do, then I would be interested to find out where this order came from. Regardless of where it came from, it is a good thing that the order was given. Shipments will be made from Moose Jaw as rapidly as possible so that some of the ships that are waiting at anchorage at Vancouver will be loaded with No. 2 grain and requirements met. When we know a little more about this order we will be able to ask questions and I hope we will be given answers. However, I am sure the western farmers will realize what initiated this order to get grain moving.

In view of the fact that a great number of members who have taken part in this debate have made the point that a number of improvements are necessary not only in our grain handling facilities in western Canada, at terminal and prairie elevators but also in rail transportation arrangements, this would be a very opportune time to mention briefly shipping arrangements through the port of Churchill. There are a number of reasons for bringing up this important matter at this time. Over the years the government has announced prior to the opening of the shipping season that in the year to come a record number of bushels would be shipped through Churchill. I have no figures in front of me

but I think the figures I will mention are accurate.

The year before the Conservative government took office in 1957, 16 million bushels were shipped through Churchill. From then until 1962 grain shipments increased each year through Churchill until about 24 million bushels were shipped. My constituents feel that Churchill is capable of handling more wheat than the port is handling at present. The Liberal government on taking office assured us that record shipments would be made through Churchill. If one looks at the figures one will find that in only one year since 1962 have more than 24 million bushels been shipped through our port. I think 25.5 million bushels were shipped one year. In other years shipments were drastically reduced. During the past season I think about 22.5 million bushels were shipped through Churchill, a drastic reduction, particularly after the government had assured us we would be handling record shipments.

Mr. Pepin: I bet you a dollar your figures are wrong.

Mr. Simpson: I am sure anyone checking with officials of the National Harbours Board will learn that Churchill has the reputation of being the most efficient port in Canada in turning around ships and in loading and unloading them. Churchill on many occasions has been declared the most efficient port in Canada; yet grain shipments through that port are not being increased to the extent they ought to be. Perhaps the minister may produce figures showing that Churchill had a record year this past year. The Minister without Portfolio (Mr. Lang) lauded the government for the grain traffic handled by the port of Vancouver. I wish he were here to tell us why grain shipments through Churchill have been decreasing each year. Is the government being influenced by some who are lobbying on behalf of other Canadian ports? A port of Montreal official, J. C. Bourguignon, secretary of the Montreal Port Council, made a statement in 1965 which has been repeated many times. He called government promises to increase freight shipments through Churchill "electioneering", adding that he could hardly believe that could happen "without consultation between the federal government and eastern port managers". He went on to say:

> The council has strongly opposed any move to increase the use of Churchill because it is an artificial enterprise opened due to the war. We don't mind the status quo, but we'll rise up against any government plan to increase its use.

[Mr. Simpson.]

• (1:30 a.m.)

Considering the need for us to modernize grain handling facilities across Canada and remembering what Montreal port officials are saying about Churchill, it seems that those Montreal officials as well as others are influencing the government to hold the line on shipments through Churchill. There are many reasons for saying this and bringing this matter to the attention of the house because, just to quote a few figures, storage charges at the Churchill elevator are six cents a bushel for nine months while storage charges at other terminals are nine cents for nine months. It costs 12 cents a bushel to take wheat from Saskatoon to Churchill, and 27 cents a bushel to take wheat from Saskatoon to Montreal, pointing up the fact that it is much cheaper to ship it out of Churchill than out of any other port in Canada from the Churchill designated area of grain shipment in western Canada.

I would also like to point out that on June 20, 1966, the day the first Russian wheat sale was announced, the price of No. 2 wheat at Montreal was $2.205 a bushel, and the same day the price of No. 2 wheat at Churchill was $2.13 a bushel, a difference of seven cents a bushel. This means that it is not only cheaper to ship wheat out of Churchill than it is out of these other ports but it is also cheaper for the purchaser to buy it. There is a saving for the purchaser and for the farmer. These are only some of the reasons why the port of Churchill should be considered in the improvement which hon. members think is so necessary for our grain handling facilities across Canada.

There is also talk about the shipping season at Churchill. It should be extended and there are various ways in which it could be extended. A report I have here says that in 1927 the McLean Commission spent a season on the Hudson Bay route and reported that there could be a shipping season of 120 days without the assistance of icebreakers. Today, 42 years later, we have only 88 days. So the extension of the shipping season at Churchill to not less than 120 days is a definite requirement if we are going to improve our grain handling facilities in western Canada.

Along with that there should be marine rates of insurance available for the port of Churchill comparable with those available at other ports. To this end immediate consideration should be given to the use of the new Alexbow-Hammerhead and Gibson icebreaker systems. Members of the government should

know what I am talking about because the government has a considerable financial interest in the Alexbow itself. Incidentally, the Minister of Transport (Mr. Hellyer) did not even know the name of it when I brought it to his attention.

Mr. Scott Alexander, the inventor of the Alexbow, has told me personally that the port of Churchill would be mush easier to keep open with the Alexbow than any of the St. Lawrence ports in the wintertime, and he sees no reason whatever, if he is given the opportunity, that he could not take a barge in from an eastern seaport to Churchill in mid-winter—January, February, or any time you wish to mention.

I am not advocating that next year or the year after the port of Churchill should be kept open during wintertime, but I am advocating that the port of Churchill could be kept open for a much greater length of time if the government would take action to see that it is kept open. I again refer to my belief that the government is listening too closely to shipping interests in other Canadian ports. In 1905 and 1910 ships were coming into the port of Churchill after the middle of November without the aid of icebreaking equipment, without any radar and without lighthouse services. So there is no reason in the world that this port cannot be kept open much longer each season.

One other facility that should be located at the port of Churchill—and this is something the government should look into—is a pilot boat in order that pilot services can be rendered at all times regardless of weather conditions because the present pilot boat is not suitable for all weather conditions. There should also be an increase in the storage capacity over the present 5 million bushel capacity to 10 million bushels. The larger ships are now capable of loading up to one million bushels and therefore the present storage of 5 million bushels is not sufficient to guarantee there will be sufficient grain at the port at all times. The additional storage capacity would also make it possible to carry stocks of other types of grain besides wheat in addition to providing for more grains of each type.

In conclusion I would say to the minister and members of the treasury benches that a good look should be taken at this port. They will recall that a few years ago some sales were made to Czechoslovakia and representatives of that government came to Ottawa to talk with representatives of this government or their predecessors. Every assurance was given to me in the house at that time that those representatives from Czechoslovakia would be made fully aware of the facilities at Churchill and the savings they could enjoy by taking their grain out of Churchill.

I am not in a position to make the charge that this information was not given to them. But Mr. Jim Gray, the secretary-treasurer of the Hudson Bay Route Association, in talking to these Czechoslovakian representatives was told they never received this information. We did clear up the situation when the Russian sales were made by Canada because these people were in the gallery and I had the opportunity of telling them there was the opportunity of shipping through Churchill.

• (1:40 a.m.)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to say a few words on the important problem which is before us to-day, and I will try to remain within the ambit of the matter now under discussion.

The problem concerns mainly western Canada, but this situation is not germane to us, for if there is a lack of box cars to carry wheat to the port of Vancouver, that reminds us of a familiar situation that we, of the Creditiste Party, have been denouncing for many years, namely the accumulation of wheat as a result of the lack of box cars. Needless to say that hon. members know it, and more particularly the Minister of Agriculture (Mr. Olson).

We have denounced the economic bottleneck which is affecting Canada. There is obviously an abundance of wheat in western Canada and there is a market for our production, because foreign countries are willing to buy our wheat. The Minister of Industry, Trade and Commerce (Mr. Pepin) shakes his head; I would like to know which argument would convince him. We are having difficulty with wheat exports and transportation, a problem which has already been mentioned in this house, since the Créditistes are represented here since 1935. The situation is the same, from the economic point of view. In other words, it is production in relation to consumption, and the transportation facilities are inadequate.

Complaints are now heard about the lack of box cars, while we, Créditistes, complain because for the last 30 years the transportation facilities do not make the link between

production and consumption. This is why we have denounced in the past the economic congestion that has prevailed, especially in the past 30 years, and tonight the special congestion in a certain sector of production.

Now there is a solution to those problems. Some will say, as some ministers did, that it depends on the weather. It reminds me of a problems which occurred a few years ago in the Ukraine—where a lot of wheat is grown —and which was similar to the one which is now raised. There was a bumper crop of wheat, but the officials of the communist government of the Ukraine had not delivered the necessary permits to the farmers of the state to enable them to harvest their wheat on time.

It did happen that all the wheat was lost under the snow. There was a lack of planning, and the technocrats, the officials of Ukraine, a socialist and communist country, stated that the bad weather was responsible for the crop being left under the snow.

Here, in Canada, planning could not be achieved concerning the operations in Vancouver harbour, one of Canada's main ports, to make it suitable for receiving wheat shipments. Moreover, and this is even more serious, financial planning was neglected—although we, of the Ralliement Créditiste, have been requesting it for a long while—in order to ensure the development of national harbours to meet export needs.

For instance, if you read the question the honourable member for Portneuf (Mr. Godin) asked in this house a little while ago and which appeared on the order paper for January 15, you will see that the Ivory Coast refused the wheat which Canada wanted to give it.

We also learned, through other official documents of the house, that a small country, that is Niger, has its own merchant marine. Its boats are ploughing our rivers and the Great Lakes to get our wheat or other products. A small country gives itself an adequate transportation system, to meet its needs, but here, in Canada, weather conditions, we are told, are responsible for the present situation. And yet, I think what is most regrettable and astonishing is that the Minister of Agriculture knows the solution to our problem. He has been preaching it for more than 30 years. He must have liked that solution since he supported it in and out of the house. Because he met with some minor problems in the Social Credit party, he left that party. Now he is in the Liberal party, where he is experiencing a much more serious problem than the lack of box-cars in Vancouver. If the Minister of Agriculture left the Social Credit party because of very minor problems, I think he should also leave the Liberal party, because he is now in a straitjacket and therefore is unable to solve our problems, and he knows it.

I know he is intelligent and I respect his integrity. I know he remembers the Social Credit doctrine but I am convinced that despite his intelligence, he will be unable to apply the principles he loved and defended and for which he even paid dues for thirty years when he was a respectable and an out-and-out Créditiste. Today, he is a sort of straitjacket within the Liberal party. He now blames the weather for the lack of box-cars in western Canada, the same way Canadian economists, during the depression held sun spots responsible for the economic crisis. We have transportation problems—

The Deputy Speaker: Order. I think the hon. member is wondering a little from the subject under consideration.

Mr. Rondeau: Mr. Speaker, I should like to point out to you that during the depression, the sun spots were in the heads of the economists and that, at the present time, there are problems out West which are comparable to the false sun spots of the depression.

Now, we have come to grips with a similar problem. First of all, let us speak of the economists. The Minister of Agriculture should not trust economists too much, for the last report of the Economic Council of Canada recommends to increase production. On the other hand, the Minister of Finance (Mr. Benson) tells us: Tighten up your belts and increase production. There is a contradiction in that. This is the illogical consequence of an absurb economic system, and it explains why, today, we are faced with a transportation problem out West and why tomorrow, another problem will come up in the Maritimes.

We are also grappling with a wheat problem in the province of Quebec. Indeed, our farmers cannot buy Canadian wheat at the same price as the Chinese Communists; when our wheat sold for $1.50 a bushel in the province of Quebec, it was about twice what they paid. These are not stories but facts that are born out by the figures of the Department of Trade and Commerce. We are now grappling with the problem of the export of wheat

which is perhaps not directly our problem in Quebec but in which we are interested as Canadians.

It is the same problem that exists now in western Canada and that is reflected in other segments of the economy because there is no planning by the federal government.

First, they do not plan their financing. Consequently, they are now grappling with a given problem and to-morrow there will be another one. Instead of solving our problems, we make enquiries and we create royal commissions. Big deal. Instead of trying to solve the problem tonight, why not form a royal commission and study still another year, because that is the solution which the Liberals have been putting forward for many years.

How is it that tonight the Minister of Agriculture announced—I believe I was absent from the house at the time—that the C.P.R. had issued orders to make available in the port of Vancouver all the cars required to meet the needs of the present crisis?

Why did the C.P.R. not do it a few weeks ago? Why is it possible today when it was not at that time?

Tomorrow, hundreds of cars will stand on the sidings in the port of Vancouver, but how much will it cost us for the cars that will thus stand idle for whole days? Might it be that the C.P.R. wants to replenish its coffers or that its shareholders stand to make greater profits?

For weeks and weeks we needed them, and there were none, but now we have them all together at the same time!

Such are the questions that could be directed to the Minister of Agriculture and which deserve an answer. Those questions are of concern to all Canadians. Why? Because we are facing a financial problem and tonight, it is a transportation problem.

It is just the same in the field of economics: a transport problem, an economic bottleneck, a bottleneck affecting the means of transport in Vancouver. The minister will no doubt explain it, by putting the blame on the weather, just as the socialist technocrats, several years ago, explained to the whole world how they had lost their crops on the farms of Ukraine by blaming it on the snow, the frost and on permits which arrived too late.

In the present case, things were not planned in good time and this vindicates the Creditistes who want to decentralize production. The Minister of Industry and Trade and Commerce is grinning; he has listened to nobody but the technocrats and now he is confronted with the situation which arose here tonight. He should seek the advice of experienced entrepreneurs, of successful businessmen, rather than of technocrats who try to explain away their carelessness by speaking of the weather or some such nonsense.

• (1:50 a.m.)

[*English*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I am happy to note that some hon. members to my right have indicated pleasure that I am participating in this debate. I mention this especially for the benefit of the hon. member for Okanagan-Kootenay (Mr. Stewart) who previously indicated he did not wish to be here any more. However, the fact that I mentioned him will bring to the attention of his constituents that he is present in the house at two o'clock in the morning, and if it takes a Conservative member to draw that to their attention I am happy to do so, since he can find no other way of doing so himself.

Mr. Knowles (Winnipeg North Centre): Why not name everyone who is here?

Mr. MacInnis (Cape Breton-East Richmond): It has already been suggested to me by another hon. member that the question of wheat has gone through the mill this evening. I hear another familiar voice, which reminds me that possibly this evening Liberal members were moved by the importance of this debate. Some of them may even have telephoned British Columbia and said: "For God's sake, someone give us some figures; they are pounding us down here". I leave it to members of the house to guess just who that member is.

An hon. Member: Name him.

Mr. MacInnis (Cape Breton-East Richmond): He is not worthy of it. For somebody from the east coast to participate in a debate on wheat may come as a surprise. However, it is a subject which the Speaker considered of national importance and worthy of debate. It is surprising to me that throughout the evening Liberal members, including the Minister of Agriculture (Mr. Olson), have cast reflections on the opinion voiced by the Speaker, and so did the Minister without Portfolio (Mr. Lang).

However, I consider that this matter concerns the economy of Canada, and what is good for the west is bound to be good for the east. Today the economy of this country is

facing a staggering loss from the mismanagement that has been going on since this government, and especially the Minister of Industry, Trade and Commerce, has tried to run the affairs of the Wheat Board.

At this time I would like to congratulate the hon. member for Mackenzie (Mr. Korchinski) who has brought this important matter to a head and, as is evident from the announcement made by the Minister of Agriculture (Mr. Olson), forced the government to take steps that have already been suggested by a number of hon. members. There has been an announcement tonight that all available amounts of No. 2 northern are to be moved as quickly as possible.

Mr. Olson: That action was initiated a long time ago.

Mr. MacInnis (Cape Breton-East Richmond): It still took the debate to get it moving. Before the minister made his announcement he knew very well that members of the house were aware of it since the early afternoon.

An hon. Member: Nonsense.

Mr. MacInnis (Cape Breton-East Richmond): This is only a further indication that hon. members on the government side have holes in their heads. The hon. member for Lethbridge (Mr. Gundlock) brought to the government's attention the fact that although there are very severe winter conditions in western Canada this year they are conditions which the railways have been used to and should have been able to overcome. On other occasions far more wheat was moved with far fewer box cars available. This is an indication of mismanagement in this field.

Someone has reminded me that the railways then used steam engines. I am happy to take up this point because my constituents were very sore a few years ago when the C.N.R. converted from coal to oil. This is an indication that the railways may well begin to think of coal again. I only hope that some day we shall see a reversion to steam, which would give the Minister of Industry, Trade and Commerce a suitable form of locomotion to surmount the difficulties caused by cold weather and carry the grain over the mountains.

I noticed a number of contradictions between statements made by various members on the government side. Not long after the Minister of Trade and Commerce had spoken the hon. member for Assiniboia (Mr. Douglas) took part in the debate, expressing an entirely opposite point of view with regard to the appointment of a transportation commissioner. This is what he advocated, but the minister was afraid to go along with the idea.

I take exception to certain of the remarks made by the Minister of Agriculture because I consider them to be a reflection on the decision of the Chair to allow this debate on an important national issue. The Speaker agreed to allow this debate; yet the Minister of Agriculture said it was destroying markets. In my opinion this was a reflection on the Chair.

Mr. Olson: On a point of order, at no time in my speech did I make any reflection on the Speaker in any way, shape or form.

Mr. MacInnis (Cape Breton-East Richmond): The Speaker ruled that a debate on this important subject could be carried on to deal with a question of national importance on an emergency basis. When the minister gets up and says that opposition members are destroying Canadian markets he is reflecting on the Chair.

An hon. Member: Not at all.

Mr. MacInnis (Cape Breton-East Richmond): The Prime Minister (Mr. Trudeau) was in attendance for a short time. Hon. members over there talked about weather conditions and blamed the situation at Vancouver on the weather. It was like hearing a weather report from every minister. The Prime Minister remarked at that time: "Bring on the sun". This expresses the interest and concern the Prime Minister has shown for the western farmer.

An hon. Member: Sounds like Smallwood.

Mr. MacInnis (Cape Breton-East Richmond): If you want to believe some of them, there are prominent Liberals who would have us think they can control the weather. Perhaps we shall have an opportunity of hearing where that report from British Columbia was, whether or not the figures were obtained.

When questions about this situation were put to the minister last fall the hon. gentleman summoned up his best smile, shrugged his shoulders, gave a wave of the arm and said: "We can always pray". This was the attitude of the Minister of Industry, Trade and Commerce.

Tonight the same minister asked the house with the same wave of the arms and the same smile—no, I must say the smile had devel-

oped into a smirk—What is my job? What am I to do? I have one suggestion for the minister. I suggest he get out of the wheat field because he is going against the grain.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): There is every indication of mismanagement and lack of knowledge on the part of the minister in dealing with this question. As I say, a number of hon. members have shown that despite bad weather conditions larger quantities of grain were delivered in other years with fewer box cars, and this clearly indicates there is something wrong somewhere. If the Minister of Agriculture, the Minister without Portfolio or the Minister of Industry, Trade and Commerce wish to blame opposition members for destroying export markets or for creating a situation that is unacceptable to buyers, then he must make the same accusation against the members of his own party who have made similar representations to the government as those made by opposition members.

• (2:00 a.m.)

An hon. Member: I thought you were in Cape Breton.

Mr. MacInnis (Cape Breton-East Richmond): I hear a stupid and idiotic remark from a Liberal member to my right who says he thought I was in Cape Breton. I made it quite clear that I regarded this as a national emergency that affected the entire Canadian economy, and what is good for western Canada is good for Cape Breton. When the minister realizes that each segment of the economy affects the other segments in this country, then he can make a speech or, rather, read a speech that has been prepared by somebody else. My advice to the minister is to get out of the business because he knows nothing about it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it so happens that the head office of the Canadian Wheat Board is located in the constituency of Winnipeg North Centre and so is the Board of Grain Commissioners and the Grain Exchange. Therefore I should favour the house with a 20-minute speech. However, like many others who are here I have shown my concern about this issue by staying here. I hope that Your Honour is satisfied that we have had a good debate and that you are satisfied that the debate has now been concluded.

Mr. Deputy Speaker: Pursuant to section 13 of standing order 26 I am satisfied that the debate has been concluded. I therefore declare the motion carried. This house stands adjourned until two o'clock p.m. later this day, pursuant to standing order 2, section 1.

Motion agreed to and the house adjourned at 2.06 a.m.

29180—298½

HOUSE OF COMMONS

Thursday, January 23, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Fifth report of standing committee on finance, trade and economic affairs, in French and in English—Mr. Gaston Clermont (Gatineau).

[*Note: Text of foregoing report appears in today's Votes and Proceedings.*]

[*English*]

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

NATIONALIST CHINA—INQUIRY AS TO POSSIBLE CHANGE IN POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs a question about something I read in the press—an announcement which I think might better have been made in the house. I should ask whether the statement attributed to him yesterday, that Canadian policy with regard to Nationalist China would be the subject of negotiation, indicates a change in government policy, or in the two China policy set forth by the Prime Minister some time ago.

Hon. Mitchell Sharp (Secretary of State for External Affairs): As far as I know, Mr. Speaker, this government has never enunciated a two China policy. I am sure the hon. gentleman will agree that when we hold these discussions with the Chinese authorities which, according to this government, have as their objective the recognition of the Peking regime, the question of Formosa will of course be a subject for negotiation.

Mr. Stanfield: The hon. gentleman has indicated that the question of the Formosan government is to be negotiated. Has the government been in touch with the Taiwan government about this matter, and is there anything the minister can report to the house in this connection?

Mr. Sharp: The views of the Canadian government have been made public. Indeed one of the stated objects of the government is to bring about mutual recognition between Peking and Ottawa. The authorities of the Nationalist government know this, they have discussed it with me, and understand its implications.

Mr. G. W. Baldwin (Peace River): I should like to ask the minister whether, if he institutes discussions with the government of the People's Republic of China, he will make inquiries about the methods used by the government of that country in handling its relations with the press.

Mr. Stanfield: Could the Secretary of State say whether a position has actually been taken by the government of Canada with regard to the timing of contacts with the representatives of Communist China or, if not, when such decision might be taken? Can the minister indicate where contacts with representatives of Red China are likely to take place?

Mr. Sharp: No decision has yet been reached. The subject is now before cabinet for decision, and when decisions are made they will of course be made public.

POST OFFICE DEPARTMENT

COMMUNICATIONS AS A DEPARTMENTAL ACTIVITY

Mr. David Lewis (York South): I should like to address a question to the Postmaster General arising out of a speech he made last night indicating that the post office might branch out into other forms of communication, including telephones. I should like to ask the Postmaster General whether his intention is to include telephone communications as part of the activities of the post office, particularly in view of the continued increases in

telephone rates which the Bell Telephone Company is demanding and receiving.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the exact words which I used yesterday afternoon in my speech were that to reorganize the post office on a business basis is itself a major undertaking. Beyond that, at this point I am in the realm of ideas, not policy. We may have to undertake major changes in structure to mould the post office into—

Mr. Speaker: Order, please. I have to interrupt the minister for a moment to remind hon. members of the well established rule in connection with speeches that are made by ministers outside the house. The hon. member for York South can ask the minister a direct question. However, if he is now referring to a speech made outside the house he can only ask the Prime Minister whether the statements represent government policy. But I repeat that he can ask a question, if he so wishes, directly, as has already been done.

Mr. Lewis: Mr. Speaker, I am grateful for the indication that my question is proper. It was because of the minister's language that I asked him the question I did.

I should like to ask the minister a supplementary question. While he is preparing to make the post office more efficient, will he give consideration to introducing in Canada what is called the giro system for the post office, as recommended in and implemented by Great Britain, so that consumers can use the post office for other purposes and thus make greater use of the post office in competition with the chartered banks?

Mr. Speaker: Order. The hon. member is asking a question of very general nature. I suggest it should not be asked at this time but rather placed on the order paper.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the Minister of Transport and of the acting minister, may I put my question to the Prime Minister?

Could he inquire and tell us why it is now impossible for us to get in touch with Mr. Henri Roussel, a highly qualified expert at the Montreal office of the Canadian Transport Commission who disappeared two days after his statement that there is no major objection to locating an international airport on the south shore, though his chief, Mr. Baribeau had asserted that an international airport would never be located on the south shore?

Mr. Speaker: Order. I do not think that the question as asked is in order.

[*English*]

EXTERNAL AFFAIRS

ALLEGED SNUBS BY PRESIDENT DE GAULLE—PARTICIPATION OF CANADIAN TROOPS IN TWO WORLD WARS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Prime Minister whether or not, as a result of the latest snub on the part of General de Gaulle to the representative of Canada, the government of Canada is going to make a protest and bring to the attention of the President of France the tremendous sacrifice of Canadians on French soil both in the first war and in the second war, and that this kind of thing is not appreciated by Canada, with egregious snubs from week to week.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I seem to recall that last year the right hon. gentleman's party thought that we protested too much over the Gabon matter, which was a question of substance. The question the right hon. gentleman has put concerns social events. We feel that it is within the sovereign authority of the government of France to give dinners to whom they want. I might add that I think that our ambassador in Paris knows of other places where he can get a good meal.

Mr. Diefenbaker: That was a gratuitous statement about this party. The government was not criticized for any action it took; it was the pusillanimous nature of the protest that we objected to. I ask the Prime Minister, in his trip to Europe did he pass over France because of the cold atmosphere existing between the government of Canada and the government of France?

Mr. Trudeau: Well, Mr. Speaker, I admit I hoped to enter warmer climates, but I was not too lucky. It was raining in Rome also.

Mr. Diefenbaker: Was it not too hot?

POST OFFICE DEPARTMENT

NEGOTIATIONS RESPECTING FIVE DAY DELIVERY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question of immediate urgency to the Postmaster General. It has to do with the implementation of the five day delivery. Will the minister undertake to make an early statement on motions outlining the progress of negotiations which were to resume this morning. Also, can he assure members of the Canadian public that they will not again become the victims of controversy or conflict between the department and its employees.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, a good many changes are going on inside the Post Office Department. I can assure hon. members of the house that I discussed these changes fully with the leaders of the two unions involved—we had a long discussion earlier this week—and, as the hon. member has suggested, negotiations are still proceeding.

Mr. Macquarrie: A supplementary question, Mr. Speaker. Since the minister has been so communicative will he indicate if the government intends to table the initial report of the task force which, in a heartening way, showed how the post office could save $50 million yearly.

Mr. Kierans: It is the report, Mr. Speaker, of a task force within the department and is a preliminary report only. I was pleased with the projected results contained in the report, but I want to satisfy myself that what is promised in it can be carried out.

Mr. Mac T. McCutcheon (Lambton-Kent): A supplementary question, Mr. Speaker. I wish to ask the Postmaster General whether, in view of increasing numbers of complaints about slow delivery and poor post office service, he will assure the house that before entering other communications fields, such as telephone services, he will make sure that postal service in this country is again raised to acceptable levels.

Mr. Speaker: Order, please. I suggest that the question as asked is argumentative.

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. In the discussions going on with the postal unions has the department refused to assure union representatives that permanent employees of the department will not be laid off while casual employees continue to work for the department?

Mr. Kierans: Mr. Speaker, the department has refused nothing and has made no promises. As I say, we are negotiating, and until a final meeting of minds is reached we will not give away any advantages we might have.

Mr. Orlikow: A further supplementary question, Mr. Speaker. Will the minister assure permanent employees of the department that none of them will be laid off while temporary employees are kept on strength?

Mr. Kierans: Mr. Speaker, I want to find employment for all people who work in the post office. I realize that in cutting down to five day weeks we shall wind up with excess man-hours. It therefore behooves me to find alternative jobs for those who will be affected, as well as to provide additional services to the people of Canada that are economic and justified. We have all this very much in mind, Mr. Speaker.

ESTATE TAX

REQUEST FOR PRESENTATION OF LEGISLATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is addressed to the Minister of Finance. In the very near future does he expect to present to the house the estate tax bill? I ask that particularly because strong pressure is being brought to bear on the government from within the Liberal caucus to present the bill in its present form and because there is strong support for the bill within the Liberal party.

Mr. Speaker: Order, please. The first part of the hon. member's question is in order, but the second part is out of order.

Mr. MacInnis (Cape Breton-East Richmond): The minister can answer half a question.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I should simply like to say that the bill is a great bill which is good for the people of Canada. I had hoped to present the bill tomorrow, Friday, but I probably will not be able to until Monday because of printing difficulties and the translation. It is ready now.

Mr. Hees: As a supplementary question, Mr. Speaker, has the minister been down to his constituency recently and talked to the people there? If he has done so he would not be able to make the answer that he has.

Mr. Benson: People in my constituency trust me.

Mr. Hees: Wait until you get there, Ben. You have some news coming to you.

Mr. Benson: I go to my constituency every week, which is more than you do.

Hon. Robert L. Stanfield (Leader of the Opposition): As a supplementary question, Mr. Speaker, may I ask the Minister of Finance if he is going to continue to be so firm in his estimates of public expenditures, and how long it is going to take to get bills printed?

Mr. Benson: I would just like to say, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Calgary North.

ADMINISTRATION OF JUSTICE

QUEBEC—IMPRISONMENT AWAITING TRIAL—APPOINTMENT OF JUDGES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of Justice. Has he had an opportunity to read the report on the administration of justice—the commission with reference to Quebec—and has he noticed in the report that some people have been several months in jail waiting for trial? Further, have the extra judges required been appointed by his department for Quebec?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I have read the relevant parts of the report referred to by the hon. member. I might say that the daily administration of justice, the administration of the courts, is not directly a federal responsibility. As for the nomination of the judges, because I undertook to consult as widely as I could in judging the competence of men and women to be appointed to the bench, that consultation is still going forward. I hope there will be some appointments in the next two weeks or so.

Mr. Nielsen: What's the matter with Judy?

Mr. Woolliams: As a supplementary question, Mr. Speaker, in view of the fact that the report mentions an increase in the number of murders in Canada has the minister worked out any liaison with the province of Quebec and other provinces so far as that matter is concerned?

[Mr. Hees.]

Mr. Turner (Ottawa-Carleton): We are in close touch, Mr. Speaker.

Mr. Woolliams: I would like to ask another supplementary question, Mr. Speaker. I am not concerned with the minister's touch. I was looking for action.

Mr. Speaker: Order. Will the hon. member ask a question?

Mr. Woolliams: Yes, Mr. Speaker. What action has the minister taken, if any, in reference to the 50 per cent increase in murders in Canada?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think that the whole concept of violence in our society and the attitude that provokes that type of conduct are matters which, together with the provincial attorneys general, we are constantly concerned about, as indeed are all the people of the country.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in view of the fact that the Minister of Justice said he is trying to find the best men and women for judgeships may I ask is the former hon. member for Niagara Falls under his contemplation at the moment?

An hon. Member: Oh, you are smart.

Some hon. Members: Oh, oh.

Mr. Turner (Ottawa-Carleton): She does not immediately come to mind, Mr. Speaker.

Some hon. Members: Oh, oh.

IMMIGRATION

SPECIAL REGULATIONS RESPECTING IMMIGRANTS FROM U.S.

Mr. John Burton (Regina East): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I wish to direct a question to the acting minister. Has the government introduced or is the government considering the introduction of special regulations that would affect certain classes of immigrants from the United States?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Not as far as I know, Mr. Speaker, but I will convey the question to the Minister of Manpower and Immigration who will be in a position to give an answer later on.

NATIONAL CAPITAL

INQUIRY AS TO POSSIBLE ABOLITION OF COMMISSION

Mr. Gaston Isabelle (Hull): Mr. Speaker, I wish to direct a question to the Minister of Forestry and Rural Development, who has jurisdiction over the National Capital Commission.

In the light of reports which have been circulated since yesterday in press circles, can he tell us if the National Capital Commission will be soon abolished?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, as far as I know, no decision has been taken to that effect. A tripartite report has been forwarded to the federal government and to the governments of Quebec and Ontario, but no decision has been taken and the news or the rumour is unfounded.

Mr. Gilbert Rondeau (Shefford): I would like to ask a supplementary question, Mr. Speaker.

As the Minister has insinuated that the structures of the National Capital Commission will be modified, can he tell us whether the province of Quebec will be consulted about these changes, given the financial contribution it will undoubtedly have to make?

Mr. Marchand (Langelier): The province of Quebec is always consulted, Mr. Speaker.

[*English*]

GRAIN

VANCOUVER, B.C.—EMPTY SHIPS LEAVING PORT

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to address this question to the Minister of Industry, Trade and Commerce. In the light of his remarks last night and the debate which took place last night, would he explain to the house why big grain ships are leaving Vancouver today empty.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, as at 2.10 this afternoon Ottawa time there were eight grain boats loading at Vancouver and 22 awaiting berths, which, as I remember well, are the same figures as of yesterday at 5.10 p.m.

Mr. Horner: The question was why grain ships are leaving Vancouver empty, not how many are being loaded. In the Vancouver *Province* of today's date it is stated that, of two big grain ships, one has already left and another is scheduled to leave empty. Would the minister explain why they are leaving empty if everything is working well.

Mr. Pepin: I will check on the value of the information.

NATIONAL SECURITY

REQUEST FOR TABLING OF ROYAL COMMISSION REPORT

Mr. R. N. Thompson (Red Deer): Mr. Speaker, this question is for the Prime Minister. I wonder whether the Prime Minister could inform the house when he intends to table the report of the Royal Commission on Security, or at least report to the house on it.

Right Hon. P.-E. Trudeau (Prime Minister): Two days ago I said we were still waiting for the consideration of an abridged version that would be acceptable for tabling in the house.

CROWN CORPORATIONS

POSSIBILITY OF CHANGE IN STATUS OF BELL TELEPHONE COMPANY

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Postmaster General. In view of the reported remarks made by the minister yesterday, which have already been the subject of a question in the house today, could he give us the answer to the following question: Is it the intention of the government to take over the Bell Telephone Company and transform it into a public corporation?

Hon. Eric W. Kierans (Postmaster General): So far as I know there is no such intention. The people on this side of the house have much more imagination and ideas as to how to spend money.

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question for the Postmaster General. I would ask him why he ignores the members to my right.

Mr. Kierans: I include them, of course, and the members of the government.

Mr. Speaker: Order, please.

Inquiries of the Ministry

DEFENCE PRODUCTION

H.M.C.S. "BONAVENTURE"—ALLEGATION REGARDING OVERCHARGES IN REFITTING

Mr. Erik Nielsen (Yukon): Mr. Speaker, this question is directed to the Minister of Justice. On Monday last in answering a question put by the hon. member for Calgary North he indicated that informations had been laid against Remus Rodaru and Cardinal Engineering and Machinery Company Limited in connection with the *Bonaventure* bills. He also left the house with the impression that proceedings might be reinstituted. Can the minister affirm whether it is now possible to reinstitute those criminal proceedings that were terminated, as he explained on Monday?

Hon. John N. Turner (Minister of Justice): I said that the crown prosecutor here in Ottawa representing the provincial Attorney General had been unable to obtain the evidence of Erhardt Junkers in Germany and felt he had insufficient evidence to proceed, and the Crown applied to withdraw the charges. The magistrate refused the application and the preliminary inquiry was commenced. The Crown offered no evidence in the circumstances and the charge was dismissed.

In the circumstances described there was of course no trial. The hon. member is asking me for an opinion. It would appear that the defences of res judicata or autrefois acquit are not available. I think that is as far as I would like to go in an answer. It would be my view that if new evidence were furnished there would not be a bar to new proceedings.

VETERANS AFFAIRS

REQUEST THAT ALLOWANCE NOT BE REDUCED BECAUSE OF INCREASED OLD AGE BENEFIT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Veterans Affairs. Has the minister or the Governor in Council taken the necessary steps so that recipients of the war veterans allowance will not have their allowance cut back by the amount of any increase they receive in old age security or guaranteed income supplement by way of a cost of living bonus? This was done last year, and I am asking whether it is being done again this year.

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Yes, Mr. Speaker, these steps have been taken effective January first.

[Mr. Speaker.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister whether consideration is also being given to increasing the basic amount of war veterans allowances?

Mr. Dubé: This is always under consideration, Mr. Speaker.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Henri Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Prime Minister.

Would he tell the house whether he intends to intervene directly in the matter of the site of the future airport? Does he think the representations of Quebec will be seriously considered?

Mr. Speaker: The hon. member is asking the Prime Minister to express an opinion and his question, as he has put it, is not in order.

HOUSE OF COMMONS

PRESENCE OF PERSONS IN GALLERY NOTING OPPOSITION ATTENDANCE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I rise on a point of order.

A few weeks ago the hon. member for Calgary North (Mr. Woolliams) drew the attention of the house to the fact that some people were taking the attendance of the opposition members in the house.

In the last few days, I have noticed that the very same people have moved from the gallery and now stand here, behind me, to check our attendance every day. I would therefore ask the Prime Minister (Mr. Trudeau) to see to it that we are not spied upon every day. Let them take note of the names of all the members, if necessary, but not only of the members of the opposition. Is this the procedure the Prime Minister intends to use to check absenteeism in the house?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker I am taking note of the fact that the member does not wish to be spied upon. If he has something to hide, I would ask those people not to take note of it.

Mr. Rondeau: Mr. Speaker, I feel that the Prime Minister's reply is most evasive and even arrogant. I have nothing to hide, but I think that all members should be watched closely and not only a few. We should all be

treated equally. Parliament is above the officials. We have a mandate from the people and, therefore, we are responsible to the people and not to those who go about in the lobbies scribbling things down in notebooks.

[*English*]

An hon. Member: Have you got a spy in the press gallery or in the official gallery?

[*Translation*]

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I have had the occasion not long ago to complain personally about the fact that I was spied upon too much and I understand perfectly the hon. member's feelings.

[*English*]

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister on this matter of attendance. Is the Prime Minister aware that the Minister of Finance is here today and he should not be, and did he give him permission?

An hon. Member: You are a naughty boy.

OFFICIAL LANGUAGES

EARLY IMPLEMENTATION OF MEASURE—DISMISSAL OF COMMISSIONAIRES FROM MUSEUMS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to ask the Prime Minister whether the Clerk of the Privy Council last October, as has been revealed by the secretary general of the National Museum, issued a memorandum urging the early implementation of the terms of the official languages bill and, if so, under whose or what authority was this done?

Mr. Speaker: In view of the fact the hon. member is referring to an incident which is alleged to have happened last October I doubt whether there is urgency to the question. If there is urgency, and it is certainly not apparent to me, and if the Prime Minister feels it can be answered, I have no objection.

Mr. Dinsdale: Mr. Speaker, if this cannot be dealt with as a question on orders of the day, perhaps I could deal with it as a question of privilege. As we all know, the official languages bill has not yet been dealt with by this house, and if there are memoranda going out from official sources this must be under somebody's authority, for it certainly does not have the authority of parliament.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, perhaps I could be helpful. After the official languages bill was introduced in this house for first reading in October the Clerk of the Privy Council under my authority did write to various departmental heads to suggest that, in keeping with the government's desire to plan ahead, they take certain preparatory steps toward the day when they would have to implement such an act. There was no direction given for any specific action, but just an indication that provisions should be under way, so that when action was required the departments would be in a position to take it.

Mr. Dinsdale: Mr. Speaker, the secretary general of the National Museum indicated that action was taken with reference to commissionaires.

Mr. Trudeau: That may have been the statement by the gentleman in question, but this was not under government direction.

INDIAN AFFAIRS

TABLING OF STANBURY-FIELD REPORT ON INDIAN TAXATION

Mr. Frank Howard (Skeena): Mr. Speaker, my question relates to what is referred to as the Stanbury-Field report on taxation of native Indian people, and the reply which the minister gave the house on Tuesday last. The minister made reference to the fact that there are certain aspects of that report which relate to the confidential nature of taxation on individuals, and I am wondering whether he would be prepared to table in the house the documentation which authorized this study, its terms of reference, authority and the like?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I shall look into the matter and report to the house as soon as possible.

[*English*]

HEALTH AND WELFARE

STEPS TO RELIEVE MEDICAL MANPOWER SHORTAGE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to ask whether the Minister of National Health and Welfare has held any meetings with the provincial health ministers or the Canadian Medical Association

in respect of the acute medical manpower shortage, and the provision of medical assistants?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, there has been some discussion, a lot of which has been going on within the medical profession itself. I assume the hon. member is referring to doctors' aides. Our department is involved in this discussion and reacting to these views but, as the hon. member knows, we are not the ones who can make a decision. This is a decision for agencies such as the medical profession itself.

Mr. Rynard: Has there been any arrangement for a meeting with those bodies?

Mr. Munro: Not that I am aware of; but I will check, Mr. Speaker.

[*Later:*]

Mr. Munro: While I am on my feet, may I amplify my answer to the hon. member for Simcoe North. He might very well have been referring to the task force on health costs that was set up as a result of the last federal-provincial conference of health ministers and that has met today. This matter may well be discussed.

ESTATE TAX ACT

ALLEGED SPECIAL BURDEN ON HEIRS TO FAMILY FARMS AND BUSINESSES

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I should like to ask a question which arises from the remarks of the Minister of Finance at the annual meeting of the London West Liberal Association, as reported in the press, where he admitted that the new estate tax places a special burden on estates of which the major assets are not liquid. Why was this special burden placed on the heirs to family farms and family businesses?

Mr. Speaker: Order, please. The hon. member is relating the question he has posed to the minister now to a statement made outside the house, and I am sure he knows the rules in this regard.

Mr. McIntosh: I have a supplementary question.

Mr. Speaker: The hon. member cannot ask a question supplementary to one that was not allowed.

[Mr. Rynard.]

OPPORTUNITY TO APPEAR BEFORE STANDING COMMITTEE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, now that a great discussion has commenced on the proposed changes in the estate tax bill, and how they will affect not only farmers and businessmen but homeowners in cities, will the participatory democracy about which the Prime Minister so often speaks go so far as to allow interested parties to present their cases to an appropriate committee of the House of Commons before the final disposition of the bill or, failing this—

Mr. Speaker: Order, please. I hope the hon. member does not propose to go on until two o'clock tomorrow morning. It seems to me he is making a statement rather than asking a question. I wish he would ask a question, so the Chair may have an opportunity to rule on it.

Mr. Korchinski: Mr. Speaker, I have already asked one part of my question as to whether the appropriate committee of the House of Commons might hear briefs, or whether a secretariat might be set up to accept briefs which would be available for public scrutiny, and which might indicate the public concern over this socialistic measure.

Mr. Speaker: The question as asked by the hon. member is not one that can be accepted. It contains statements, allegations and expressions of opinion, and certainly as asked it cannot be received.

NORTHERN AFFAIRS

PANARCTIC OIL—SHARING OF PROFITS BY INDIANS AND ESKIMOS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. Now that Panartic Oil has announced that it is digging two wells on Melville Island, can the minister tell the house whether consideration is being given by the department to ensure that Indian and Eskimo residents of the arctic areas will share in the profits of any oil or gas lines in these areas made by Panartic Oil?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not know whether shares of that company will be distributed to Eskimos

and Indians, but we have taken the necessary steps with Panartic to make sure that during the development work they will offer jobs to qualified Eskimos to work on Melville Island in digging operations.

[*English*]

Mr. Orlikow: I do not think the minister understood my question. I was not suggesting that they get shares, but in many farm areas farmers get part of the profits from oil found on their land. I am asking that the same consideration be given to Indians and Eskimos.

[*Translation*]

Mr. Chrétien: I have nothing to add to my answer, Mr. Speaker.

[*English*]

INDIAN AFFAIRS

INTRODUCTION OF MEASURE RESPECTING INDIAN CLAIMS

Mr. Erik Nielsen (Yukon): I have a supplementary question, Mr. Speaker. May I ask the minister whether it is the intention of the government to introduce the Indian Claims Commission bill again?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I answered this question a few days ago and my answer is the same.

[*English*]

SOUTH INDIAN LAKE, MAN.—FLOODING OF HOMES THROUGH HYDRO DEVELOPMENT

Mr. E. B. Osler (Winnipeg South Centre): I have a supplementary question for the Minister of Indian Affairs and Northern Development. Can the minister assure the house that his department will do everything possible to protect the interests of the approximately 100 Indian and Métis families at South Indian Lake who are now threatened with unilateral expulsion by the Manitoba government, due to flooding in connection with a hydro project?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I answered this question yesterday and we are extremely interested in the problem which a certain number of Indians in Manitoba have to face.

I would like to answer the specific question asked yesterday by the hon. member for Winnipeg North (Mr. Orlikow) concerning lawyers' fees. The department does not have to pay the fees of lawyers hired by Indians to defend them, but I am informed that the Manitoba government has assured the Indians that it would meet the expenses incurred by them to enforce their rights.

[*English*]

ESTATE TAX ACT

ALLEGED SPECIAL BURDEN ON HEIRS TO FAMILY FARMS AND BUSINESSES

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, since you ruled out of order a previous question of mine, may I now rephrase it and ask the Minister of Finance why he finds it necessary to place a special tax burden, as he has admitted, on the heirs of family farms and family businesses?

Mr. Speaker: Order, please. The question is still argumentative.

Mr. McIntosh: On what grounds, Mr. Speaker?

[*Later:*]

Mr. McIntosh: Mr. Speaker, I rise on a point of order. Twice I have tried to get a question across to the Minister of Finance. Last time I think you said that my question was argumentative. Was that the ruling you gave? I suggest my question was not argumentative and I should like to ask the minister why it is necessary to place this tax burden on family farms and family businesses.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I cannot allow the minister to reply to the question. The hon. member, along with other members of this house, has placed on my shoulders the burden, which is not always a pleasant one, of being Speaker of this house. I am called upon to interpret the rules. I have interpreted the hon. member's question as being argumentative, and the matter is not subject to discussion.

Some hon. Members: Hear, hear.

Mr. McIntosh: Well, Mr. Speaker, may I rephrase my question and ask the minister whether it is his intention to place a special tax burden on the heirs of family farms and family businesses.

Mr. Speaker: Order, please. I think that that question is somewhat more acceptable than the first one, and I will allow the minister to answer it.

Inquiries of the Ministry

Hon. E. J. Benson (Minister of Finance): I have tried to answer each question which my hon. friend asked. Also, I would like to assure my hon. friend from Saint John-Lancaster that I am in the house today because I knew the Leader of the Opposition would be out of the house.

Mr. Thomas M. Bell (Saint John-Lancaster): Anybody who has eyes in his head would have seen that the Leader of the Opposition was in the house earlier, and I suggest the minister is here today because he is doing penance.

Mr. G. W. Baldwin (Peace River): I rise on the same point of order, Mr. Speaker. May I say that the Leader of the Opposition left because he could not get any answers from the government.

Mr. Benson: I would simply like to say that it is very difficult to find out who the Leader of the Opposition is.

Mr. Speaker: Order, please. The hon. member for Swift Current-Maple Creek can now see how argumentative his question was.

Mr. Benson: Mr. Speaker, in answer to the question raised by the hon. member with respect to the speech I made outside the house, I would simply like him to read the whole speech, in which I said that no undue burden was placed upon either family businesses or farms through the changes in the estate tax. If he wants, I will send him a copy of the speech.

Mr. J. H. Horner (Crowfoot): I have a supplementary question, Mr. Speaker. Is it not a fact that the minister believes that a special burden is placed on estates which are not made up of liquid assets?

Mr. Speaker: Order, please. I will have to rule again that this is an argumentative question.

AGRICULTURE

POTATOES—SUPPORT TO ACREAGE PAYMENTS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Agriculture. In view of the continued depression in the potato market in all of eastern Canada, and particularly in Prince Edward Island, I wonder if the Agriculture Stabilization Board is now giving consideration to special support to acreage payments, as given last year, in order to offset the difficult times which farmers will have in putting in a crop in the spring?

[Mr. Speaker.]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, to my knowledge we have had no requests for that, to date, and therefore it is not under active consideration. However, the department is always ready to consider proposals of this nature.

HEALTH AND WELFARE

INCREASED ASSISTANCE FOR BLIND PERSONS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of National Health and Welfare. Has the minister received representations regarding increased assistance to blind persons, and what is being done about these representations?

Hon. John C. Munro (Minister of National Health and Welfare): I am not aware of any such representation of late, but I will check into the matter.

AGRICULTURE

DAIRY INDUSTRY—ABANDONMENT OF QUOTA SUBSIDY SYSTEM

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I would like to direct my question to the Minister of Agriculture. In view of the statement recently reported that the government's long term policy is to abandon the quota subsidy system presently in use for the dairy industry, would the minister consider making a statement regarding the alternatives he will propose?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I will send the hon. gentleman a copy of the speech. If he will read it I am sure he will find that what I said is that it is the government's policy to remove the need for subsidies and quotas.

Mr. Speaker: Orders of the day.

Mr. Gleave: Mr. Speaker, I have a supplementary question.

Mr. Speaker: I will allow the hon. member to ask a supplementary question.

Mr. Gleave: I wish to direct it to the Minister of Industry, Trade and Commerce. Would the minister consider tabling the results of the study on the nationalization of the dairy industry in Canada, and the development of a departmental program in this area, as mentioned in the department's annual reports of 1965 and 1966?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will consider the matter, Mr. Speaker.

Mr. Gleave: Will the minister take it as notice—

Mr. Speaker: Order, please. I assume the minister has taken it as notice. I also notice the hon. member for Brandon-Souris on a question of privilege.

OFFICIAL LANGUAGES

REQUEST FOR TABLING OF DOCUMENT AND FOR REINSTATEMENT OF COMMISSIONAIRES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question of privilege which I wish to address to the right hon. Prime Minister. In view of the possible infringement of privileges of the members of this house, with reference to the document issued by the Clerk of the Privy Council which has been circulated prior to parliament's consideration of Bill C-120, would the right hon. gentleman table that document so we could all peruse it?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I do not believe there was an infringement of the privileges of this house.

Mr. Diefenbaker: There certainly was.

Mr. Trudeau: The document itself was an internal document, and I do not believe it is the usual practice to table such documents. But I repeat that the purport of the document was to suggest that, the bill having been introduced, persons to whom the document was addressed should devote some time to a close analysis of the bill, and give some preliminary thought to its implications.

This, to me, does not seem to be an infringement of the privileges of this house; it is giving to civil servants a copy of a bill which is in the possession of the house and which is a public document, and saying, as is obviously true, that it is the government's intention to proceed with this bill. It is on the order paper, and we want to proceed with it quickly. It is giving people at department level the occasion to do some preliminary planning—no action. That is the purpose of the document.

Mr. Diefenbaker: An invitation to use the axe.

Mr. Nielsen: Since the document has been referred to, and partially interpreted by an employee of the government, does the Prime Minister not feel that hon. members of this house should also be entitled to peruse the document and assess the interpretation made?

Mr. Trudeau: I do not feel so, mainly for reasons of principle. There is nothing in this particular document that there is any particular reason for withholding. I have it here; it is a short one of four paragraphs. It is an internal direction from one civil servant to another, on the orders of the Prime Minister, telling him to do some preliminary thinking about a bill which is before the house.

An hon. Member: What about action?

Mr. Trudeau: The action will come after we have debated the bill.

Mr. Speaker: The hon. member for Yukon on a point of order?

Mr. Nielsen: On the question of privilege—and there may be a point of order arising, now. I believe our rules require that once a document has been referred to, as it has been, in terms of content, vaguely though the Prime Minister may have done so, it must be tabled.

Mr. Speaker: Order. I have no hesitation in ruling that the mere fact a public document has been mentioned does not require, under the rules, that it be tabled. Should a document be quoted from it has, according to our rules, to be tabled, if it is an official document quoted by a cabinet minister. But that is not my understanding of what has been done by the Prime Minister.

Mr. Nielsen: Hon. members will of course accept your ruling, Mr. Speaker, but the Prime Minister has in fact referred to the contents of a public document, and I submit our rules now require it to be tabled.

Mr. Diefenbaker: On that point of order, I recollect at least two occasions during the time I have been here when reference to a document, giving a summary of the contents, or a summary of a portion of the contents, was sufficient to require that the document be tabled. Were it otherwise, we would be in a position whereby a minister could simply interpret what he wanted to—he could give his own version of a direction handed to these various departments, and then refrain from tabling the document in the house. I think Your Honour should reconsider this question, because your decision means that ministers may simply give their own ideas as to the meaning of a document, without the house

having an opportunity to ascertain whether or not the statements made by ministers were in accordance with the contents of those documents.

Mr. Speaker: Of course, the ruling I have given arises from the fact that I have often studied the precedents and the citations on this very point. It has so often arisen in the course of debate that hon. members demand that a document should be tabled, either because it has been referred to or because a minister has quoted from it.

I would think the citation I have before me justifies the ruling I have made.

> A minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the house unless he be prepared to lay it upon the table.

My suggestion to hon. members is that the Prime Minister has not quoted from the document. The hon. member says he has referred to the content. That is not my interpretation of what has been done by the Prime Minister.

Mr. MacLean: On the question of privilege, I have a question I should like to ask the Prime Minister. Since it seems evident that the intent of this document was misinterpreted by at least one of the officials receiving it, and that he took action on it which resulted in the termination of the employment of a number of persons, will the Prime Minister consider reinstating all those people who have been affected by a directive based on what is, as yet, only a bill and not an act of parliament?

Some hon. Members: Hear, hear.

Mr. Trudeau: Without accepting the premise that any employment has been terminated as a result of a misunderstanding of the document, I am prepared to ask the minister to study this case. I have already asked him what has happened in other similar cases, and he has told me there has been no termination of employment—that there had been some shift in employment from one part of a building to another.

An hon. Member: With loss of pay.

Mr. Trudeau: No termination of employment and no loss of pay.

An hon. Member: Sent to Siberia.

[*Later:*]

Hon. Marcel Lambert (Edmonton West): I do not want to prolong the discussion unduly, but I thought my hon. friend from Peace River was rising on the same point. Your Honour did make a ruling with regard to a document. I would respectfully recommend to Your Honour the reading of citation 159 paragraph 3. I would also point out that the Prime Minister indicated to members of the house he had the document itself in front of him.

[Mr. Diefenbaker.]

Mr. Speaker: I should like at this point to read from citation 159. I have before me 159 (3) which reads:

> It has been admitted that a document which has been cited ought to be laid upon the table of the house, if it can be done without injury to the public interest.

This should be read along with citation 159(1). What I suggested to hon. members in the ruling I made a moment ago was that the document had not been cited by the Prime Minister. He referred to the document, but of course that is not the same as making a citation.

BUSINESS OF THE HOUSE

Mr. G. W. Baldwin (Peace River): May I ask the President of the Privy Council to tell us, as leader of the house, the nature of forthcoming business?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. As the house knows, today we shall begin the debate on second reading of the omnibus Criminal Code bill. Because of the wide interest in the bill and the prospective list of speakers it is anticipated we shall continue second reading tomorrow and on Monday.

In view of the heavy volume of business before the committees—the 15 legislative items before the standing committees—it is my intention to propose a motion similar to the one moved last November, that the sitting for Tuesday be suspended in order that the standing committees may pursue their study of the legislative items on that day.

On Wednesday and Thursday next I propose to call order No. 1 for the consideration of the business of supply. I understand there will be an opposition motion forthcoming on those two allotted days.

Mr. Baldwin: A supplementary question, Mr. Speaker. In view of the fact that, inspired and led by the opposition the house has given second reading to 15 bills in seven days, can the leader of the house indicate when some constructive measures will be brought before the house—and I hasten to say I exclude from that description any measures sponsored by the Minister of Finance.

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, as I indicated to the hon. member for York South we shall soon be making an announcement with respect to the legislative program for the balance of the session, perhaps on Thursday next.

• (3:00 p.m.)

GOVERNMENT ORDERS

CRIMINAL CODE

Hon. John N. Turner (Minister of Justice) moved second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-150, 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, the Customs Tariff and the National Defence Act.

He said: Mr. Speaker, in introducing this massive bill I am very sensitive of the solemn duty that I have to the law of this country and of the effect that this bill, if adopted by the house, will have on the individual lives and individual human rights of everyone in Canada. I speak this afternoon with the confidence that this legislation is the most important and all-embracing reform of the criminal and penal law ever attempted at one time in this country. The omnibus measure contains matters of deep social significance which, in the course of time, will affect the lives of most of us, perhaps each one of us, in varying degrees.

I submit this bill to the scrutiny of this house, weighing as best I can the delicate balance between law and morals and the historic ideal of the rule of law in a free society. In placing these matters before you, sir, the government is endeavouring to have the criminal law reflect the attitude of what most persons believe to be reasonable and necessary for the well-being of our society or, to put it in another way, to bring the law into line with the times.

[*Translation*]

The interest shown in that project has been tremendous. No wonder that such interest often became argumentative.

In my opinion, it would have been absolutely unrealistic to hope that the proposals which have been made would be free of controversy. However, the fact that such controversy exists, although serious and sober, ought not to stand in the way of the proposed bill before this house.

We have listened to and carefully weighed the arguments and the views from all sides and, on that basis, we have tried to draft a bill which, we believe, is sound and useful and will receive the approval of most of the people in this parliament as well as outside.

[*English*]

Much has been said and written recently about the concept of law and order. It was probably the underlying issue in the recent election in the United States. We are not immune from that discussion; what is happening there is contagious. We are witnessing what has been described as a new search for human values and relationships—relationships between man and man and between men and government, new relationships that have new meaning in the technical and psychological context of our age.

What this search and the accompanying changes mean, as far as I am concerned, are not a demand for law and order that freeze men into a predetermined pattern but law and order that respond to change and to movement and give us options. Because, sir, yesterday's order, if unresponsive to change, becomes tomorrow's oppression.

[*Translation*]

It is not the first review of the Criminal Code. However, I do not think that any other review of our criminal statutes has aroused such a great interest. It is true that in 1954, parliament studied and adopted a general review of the Criminal Code but its main purpose was, on the one hand, to give it a more orderly and understandable pattern and, on the other hand, to change and repeal provisions which had become obsolete. Since its inception in 1892, until the early 50's, the Code had been amended several times, but in a piecemeal fashion and without any overall plan. By making these remarks I do not wish to depreciate the results achieved by the review of 1954.

It was really a necessary and significant task. However, it did not get the kind of contribution which the bill under consideration has inspired all across the country.

No bill concerning the Criminal Code has been as much scrutinized and commented upon by members of the legal profession as well as the people in general.

This bill will be remembered, I am sure, as a high point in penal reform in Canada.

[*English*]

This bill is identified, and will be identified in the future, with the indelible imprint of our Prime Minister (Mr. Trudeau). It was he who had the courage to assemble it, to introduce it into parliament and to defend it across the land under the sharp scrutiny of a general election. If ever, then, there was a legislative measure that has been tested by public opinion and received a popular mandate, if ever the people of Canada have been given an opportunity to participate in public debate surrounding a legislative measure, it is this omnibus Criminal Code bill. We in this House of Commons, sir, have had a full opportunity to review and discuss it. The people of Canada have had every opportunity to look at it and to talk about it.

Since assuming this portfolio I have received representations, both public and private, from every quarter. I am glad to say that I sought all the advice I could from whoever would give it to me. I am grateful to those in the house and outside the house who have made their views known to me. I particularly want to thank, of course, the members of the legal profession from whom we heard. I am grateful to the memberships of the various delegations who came to see us, and I thank the thousands of individual citizens who expressed their opinions to me.

We were, of course, in touch with the provincial Attorneys General, and with the permission of the house I should like to table at this time the correspondence sought earlier by the hon. member for Calgary North (Mr. Woolliams) between the various Attorneys General of the provinces and the government of Canada.

Mr. Nielsen: It is a little late now.

Mr. Turner (Ottawa-Carleton): I said that I would submit it at the appropriate time. With the permission of the house I should like to table it now.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

• (3:10 p.m.)

Mr. Turner (Ottawa-Carleton): It took some time, I might say, to obtain the necessary consent of the Attorneys General, which explains in some measure the delay in tabling the documents. As will be seen from a comparison of Bill C-150 with the earlier Bill C-195, the representations we received did result in certain changes. Finally, I am grateful to all hon. members from all parties who gave me their advice and counsel and understanding.

[*Translation*]

Mr. Speaker, this bill is not easy to read. It contains 120 clauses in 126 pages. It takes a stand on some of the controversial questions of our time. Some of them pertain to the most inner part of our lives: life itself, death and the most delicate personal relations between human beings. I would be amazed indeed if even one of the hon. members showed an equal enthusiasm for all of the 120 proposals. Who could expect that? Any amendment to the Criminal Code induces controversy. Our response to this bill will depend upon our tolerance and our understanding of the needs of a pluralist society, a society where everyone must strive to reconcile his opinions and personal beliefs, including the ones dearest to his heart, with those of his neighbours, who are also earnest and sincere.

This bill will also test our respect for the sacredness of the law. It will prompt many of us to search their own hearts thoroughly.

[*English*]

Some hon. members have had to struggle with themselves to accept this bill. Some have had to struggle mightily because it deals with fundamental concepts. I understand this, and the Prime Minister and members of the government understand it. I hope nothing I say today or in the later stages of this bill will give any hon. member any impression other than that I deeply respect the consciences and private convictions of all hon. members.

Mr. McGrath: Will the minister permit a question?

Mr. Turner (Ottawa-Carleton): With the indulgence of the hon. member I will, at the end of my speech. I know the pressures to which a good many hon. members are subjected, and I respect them. Nevertheless, I believe that all the provisions of this bill are beneficial and in the best public interest, and I hope the measure I am introducing this afternoon will eventually find favour with the majority of hon. members and, even more important, meet with the approval of most of our fellow citizens.

Despite the variety of the subject matters contained in the bill and despite the wide range of views held about them, the government is firm in its conviction that this house

and the Standing Committee on Justice and Legal Affairs later will deal with this bill as one bill, indivisible, and not as several individual items of legislation. When I first accepted this portfolio I wanted to assure myself that the will of the house could be properly tested on every clause. I am satisfied, particularly under the new rules, that this can be done. I am now satisfied that the Standing Committee on Justice and Legal Affairs will review the bill clause by clause. When the bill is reported back to the house from committee, amendments to any clause are permissible under the new rules. So, sir, no hon. member will be deprived of the opportunity of making his view or vote known or felt, if that is his intention.

Why should the bill be split? Hon. members are not being deprived any rights in respect of any clause. And if the bill were split, how would we go about splitting it? Would there be a separate bill for the clauses affecting therapeutic abortion, lotteries, the breathalizer test or the gun law? How far would we go and where would we stop? The government is of the opinion that this bill stands for the general principle of criminal and penal law reform and should be dealt with by the house on that basis.

I want to say, too, that the government fully endorses this bill. It is a government bill, bears the government stamp and will be supported by the government. We feel bound to the bill as the principal item of social reform in this session of parliament. It is identified with our Prime Minister and party. We believe it has been tested favourably with the people of Canada and has met the approval of the people in a general election. We believe therefore that, on the one hand, we have the right and, on the other hand, the duty to stand behind the bill in all stages of debate that will follow.

Some hon. Members: Hear, hear.

Mr. Turner (Ottawa-Carleton): Again I want to say that I recognize the personal and individual trials of conscience that some hon. members have faced, and I hope that in my dealings with any hon. member I do not trespass on the inner preserves of his private convictions.

With the indulgence of the house I should like to deal with some individual provisions of the bill, with some of those that have provoked the most comment. One of the most significant amendments proposed in the bill is aimed at the drinking driver. I think all hon. members are concerned about the rash of highway accidents and death on our roads, and it might be useful to recite a few figures. In Canada, 5,379 people died in highway accidents in 1967. This was over 200 more people than died in the same way in 1966. Publications of the Dominion Bureau of Statistics show that in the years from 1958 to 1967 the number of persons killed on our highways rose by over 66 per cent and the number of persons injured in the same period in highway accidents rose by more than 100 per cent. During the first six months of 1968, compared with the similar period in 1967, increases were registered in all categories of motor vehicle accidents. Traffic injuries were up 8.4 per cent over the same period in 1967 and traffic deaths were up 4.1 per cent over that same period in 1967.

The point of this part of the legislation is that the drinking driver is responsible for a disproportionate share of these accidents. The truth of what I am submitting to the house has been forcefully demonstrated by the study carried on in Grand Rapids, Michigan. This study is regarded as the best and most exhaustive practical study in this field in North America. By careful comparisons of groups of persons who were involved in traffic accidents—the study extended over a year and each group covered some 8,000 people—the experts who conducted the study were able to demonstrate a number of things. They demonstrated that blood alcohol levels over 0.04 per cent are definitely associated with an increased accident involvement. The probability of accident involvement increases rapidly at alcohol levels over 0.08 per cent and becomes extremely high at levels above 0.15 per cent. When drivers with blood alcohol levels over 0.08 per cent have accidents they tend to have more single vehicle accidents, more severe accidents in terms of injury and damage and more expensive accidents than similar sober drivers.

Another point brought out by the study is that drivers in the higher alcohol level classes tend to become involved more frequently in the more severe accidents. Less than 5 per cent of the drivers in the 0.00 per cent alcohol level class are involved in fatal and serious personal injury accidents but almost 10 per cent of the drivers in the 0.08 per cent and higher alcohol level class are involved in the severest class of accidents. Thus an accident involved driver in the 0.08 per cent and higher alcohol level class is almost twice as frequently involved in a fatal or serious accident as the driver in the 0.00 per cent alcohol level

class. This, then, I would submit to Your Honour is the answer to the question, what do deaths and injuries on the highways have to do with the drinking driver?

• (3:20 p.m.)

The next question which arises is, what assurance is there that the setting of a statutory blood alcohol limit and the compulsion to take a breathalyzer test will have any appreciable effect on drivers who drink and, in turn, on the death and injury rate? Apart from the obvious answer dictated by the figures I recited from the study, and from common sense, the experience in the United Kingdom gives ground to expect that if this legislation passes there will be several hundred Canadians alive next year who would not be alive if there were no compulsory breathalyzer test. There will be several thousand more persons uninjured and several thousand more hospital beds free for people with other illnesses which would otherwise be occupied by patients broken in bone and spirit in traffic accidents.

[*Translation*]

In addition to showing the part which is played in traffic accidents by drivers who take alcoholic drinks, the study entitled "Grand Rapids" supports the opinion that .08 per cent represents the real danger level. That is why this figure of .08 per cent was proposed by the standing committee on justice and legal affairs, a few years ago, by the Canadian Bar Association, by the British Medical Association and by the Legislature of Manitoba in its resolution of May 1968. It is also the figure which was used in 1967 in the Road Traffic Act in the United Kingdom.

As for the Canadian Medical Association, they recommend a figure of .05 per cent. The present bill recommends the adoption of a figure set—with the support of a number of authorities—at .08 per cent.

An act which would make it an offence for anyone to drive an automobile when the alcohol level in his blood exceeds .08 per cent would be unrealistic, from a practical point of view, if at the same time, it did not provide for compulsory tests.

Consequently, the present bill suggests that, under definite circumstances, a citizen could be requested to provide a sample of his breath to be analyzed. The bill does not request any sample of blood or urine.

[Mr. Turner (Ottawa-Carleton).]

[*English*]

When the resolution in favour of compulsory breathalizer tests was passed by the Canadian Bar Association, there were immediate outcries across Canada that such a proposal was a retrograde step and involved compulsory self-incrimination. I want to say that the traditional rules of self-incrimination apply only to statements or declarations made by accused persons. The view I am now expressing is supported by the Supreme Court of Canada. Self-incrimination does not extend to physical or real conditions or to mark such as a man's fingerprints, footprints, the state of his clothing, the state of his behaviour or the state of his breath. Under the bill the driver is not subject to a compulsory breathalyzer test unless at that time, or within the previous two hours, he has conducted himself in such a way that a peace officer, in the words of the bill, "would have reasonable and probable grounds" in arresting him for impaired driving.

The burden would be on the Crown to prove his conduct and if the arrest was not justified the driver would be entitled, with impunity, to refuse the breathalyzer test.

Mr. Woolliams: If he doesn't he is convicted.

Mr. Turner (Ottawa-Carleton): We will discuss that, Mr. Speaker.

As a member of the legal profession and as someone who believes in civil rights I think any type of compulsion is unsavoury in a free society, and any type of compulsion enforced by penal statute or by the state must find its justification not merely in a rule of law but in the needs of the community. I am submitting to the house that the needs of the community more than justify the proposed amendment.

Mr. Woolliams: Don't misrepresent the law.

Mr. Turner (Ottawa-Carleton): With respect, I do not think I am misrepresenting the law, but we can argue that later. As with other provisions of this bill, it is a question of weighing the conflicting interests—the balance of public convenience—that can never be totally reconciled. It is my view and the view of the government that in deciding which is the more vital to social order in Canada and to the benefit of the majority of the people in our country, there should be severe penalties in case of drinking and driving.

I am determined to fight murder on the highways and to combat carnage on the

roads. I am convinced that firmer action is required by this parliament to shake up the conscience and state of awareness of the Canadian people, and to support the sound sense of the admonition found on some billboards, "If you drink don't drive, if you drive don't drink." If you heed that observation I can say that is the admonition to which this test is applied. All of us have been in the situation where we have said to ourselves—and I am not a hypocrite about this—"There but for the grace of God go I."

• (3:30 p.m.)

I now want to talk briefly about firearms. A number of significant amendments are proposed which will tighten control over the availability and the use of firearms in the interest of public safety. This is a tougher gun law. There are some entirely new offences and procedures created by the bill. It provides for the making by a court of a prohibitory order against criminals who have been convicted of offences involving firearms. It provides for a new search and seizure procedure at the instance of the provincial Attorney General where the personal safety of any person is involved. It provides for a new offence of selling or in any way transferring a weapon to anyone under a prohibition order or to anyone of unsound mind. It provides for a new offence of dangerous use, carriage or possession of firearms, aimed at the trigger-happy hunter, the type who goes out into the woods, hears something and fires, the type who sees something, does not know what it is, and fires. At the moment juries are loath to convict because the only available charge is criminal negligence with a maximum penalty of life. This new offence will have a maximum penalty of two years.

The bill provides for a more realistic approach to the question of possession of firearms by younger persons by generally prohibiting children under the age of 14 from using firearms except under the personal supervision of someone who has a permit, someone who is lawfully entitled to use a firearm. It requires young people between 14 and 17 years of age to obtain a permit to possess a firearm of any sort.

I am going to confess to the house that I do not believe there is any foolproof gun law. Even if we were to withdraw every weapon in the country—

An hon. Member: You would have a revolution.

Mr. Turner (Ottawa Carleton): —even apart from the political factors involved, if we were to enforce registration of every weapon in the country a gun could always get into the wrong hands, and in this area of legislation, as in others, it is not possible to reconcile all the conflicting interests.

I am glad to say that no gun enthusiast or organization of sportsmen or gun club has ever suggested to me that there should not be a gun law. The real issue, I would submit to hon. members, is to achieve controls which will discourage and penalize the criminal and the criminally careless, which will remove lethal weapons from the irresponsible or mentally ill, which will help to foster social attitudes against violence and which will at the same time leave the avenue open for responsible people to engage in legitimate sport and hobbies involving firearms in the same way as those interested in motor racing are left free under restricted and controlled conditions to exceed the speed limit.

I now want to turn briefly to the question of lotteries. I may say that I am dealing now with those clauses of the bill that have provoked the most public response and comment. The proposed amendments concerning lotteries—and when I use the word "lotteries" I mean games of chance generally—incorporate a fundamentally new approach in the sense that the amount and nature of gaming which will be permitted will depend to a considerable extent on the policy of provincial authorities in issuing the licences to which I will refer in a moment. The attitude toward lotteries in Canada varies in various parts of the country. The proposed amendments will provide, to an appreciable degree, for recognition of that fact. The nature of the proposed amendments might be described as local option within prescribed limits set in the Code. The amendments also clarify an important obscurity in the present law in relation to the conduct of lotteries by religious and charitable organizations.

[*Translation*]

I shall just deal, Mr. Speaker, with a few essential aspects. First of all, any provincial government, either alone or in conjunction with the government of another province, will be allowed to conduct a lottery. I was asked, on several occasions, whether municipal institutions would be also allowed to conduct lotteries, under the proposed act. The answer is no, except in the case of provincial lotteries where they may be appointed as representatives of the provinces.

Secondly, no province will be allowed to conduct any lottery system in another province without being authorized to do so by the government of the latter.

Thirdly, charitable and religious organizations will be allowed to run lotteries under a provincial licence. How many and how big these lotteries may be will depend on the licences. As the law now stands, those organizations can occasionally have lotteries, but the words "occasionally"—"à l'occasion" —and "usually" explain the great differences which exist between the lotteries authorized in various regions of the country. In the final analysis, the attitude of the local authorities is the determining factor. And it is that ambiguity, which I pointed out a while ago, which will be removed.

[*English*]

We have heard more from individuals on the proposed amendments concerning abortion than on any other provision. This aspect of the law was also the subject of exhaustive consideration by the Standing Committee on Health, Welfare and Social Affairs. It is a matter that is undoubtedly of profound concern to all of us, and it has been the subject of debate, often very emotional debate, for a number of years.

The Prime Minister and I have both said on previous occasions that in considering this proposition before the house it is important to bear in mind the uncertain state of the present law. To assume that the present law on abortion is clear and thereby to move on from there to allege that the amendments are too stringent, or not stringent enough, or in substance change nothing is, in my submission, arguing from a false premise. The fact is that the present state of the law is not clear and one of the overriding purposes of the legislation is to clarify it.

The legal officers of the Department of Justice have been unable to find a single reported Canadian case, involving a charge of unlawfully procuring an abortion, which discusses abortion for medical reasons as a defence to that charge. Some claim that in Canada there is no defence whatever to a charge of procuring a miscarriage based upon medical considerations; others argue that a miscarriage may be procured if it is necessary to preserve a woman's life; and still others maintain that the law is not being amended in substance but is merely being codified and will reflect what is now being done in hospitals under responsible management by ethical members of the medical profession with the tacit, if not the express, approval of those responsible for the administration of the criminal law.

The essential point of the proposed amendments is that abortion shall not be unlawful if a committee of physicians in an accredited hospital certify that in their opinion the continuation of the pregnancy of the female person, of the mother, would or would be likely to endanger her life or health. Those are the words of the clause. I wish to emphasize that the test is danger to the life or health of the expectant mother.

Whether an abortion is justified for the reasons mentioned will involve the making of a decision by members of the medical profession based on medical considerations. Needless to say, that judgment will have to be made in a bona fide manner. Under this bill abortion based solely on considerations of eugenics or the commission of sexual offences is not included. Therapeutic abortion committees will not be called upon to decide whether a criminal offence has been committed. We have considered that such a therapeutic abortion committee is not the proper forum to deal with questions of that kind.

I realize full well that this matter goes right to the essence of life, goes right to the bone. There is not going to be any consensus on this issue in this house or in the country. There are those on the one hand who abhor abortion for any cause, or for any reason whatsoever. There are those on the other hand who would make abortion wholly permissive or at the personal option of the woman. We have not reached a consensus between those views in this bill. We have reached only what I might call an accommodation. When the life or health of a mother is in jeopardy, therapeutic miscarriage will be absolved from the penalties in the criminal law.

• (3:40 p.m.)

This proposed legislation does not authorize the taking of foetal life; it does not promote abortion. It simply removes certain categories of abortion from the present place they have on the list of indictable offences. I want to repeat that the legislation does not promote abortion; it permits it under the restricted circumstance where the mother's life or health might be in danger. I believe that any member—and I say this after a good deal of personal reflection—may in good conscience support this clause if he is convinced as I am that its net effect will be to foster rather than impede the general public and civic good.

That is the test I would urge members to apply to this particular issue.

I should also like to mention specifically certain other amendments. I realize I will go a little longer than the permitted time.

Mr. Knowles (Winnipeg North Centre): You have unlimited time.

Mr. Turner (Ottawa-Carleton): Thank you for reminding me. There are 120 clauses and 126 pages in the bill. Even within the restricted scope to which I am now limiting myself I will be doing inadequate justice to the bill.

These amendments remove certain sexual conduct between consenting adults in private from the purview of the criminal law. There is one point which I cannot emphasize too strongly in this regard. It is that parliament would not, in enacting these amendments, be condoning this type of conduct. Parliament by not imposing the criminal law upon fornication or adultery is not thereby condoning fornication or adultery. By having broadened the laws affecting divorce during the last parliament, parliament did not by that promote or condone divorce as a remedy worthy of emulation. Individuals will continue to be responsible to themselves for their moral behaviour.

I should like to place on the record a passage from the Wolfenden report dealing with this matter in the United Kingdom:

> Unless a deliberate attempt is to be made by society, acting through the agency of the law, to equate the sphere of crime with that of sin, there must remain a realm of private morality and immorality which is, in brief and crude terms, not the law's business. To say this is not to condone or encourage private immorality. On the contrary, to emphasize the personal and private nature of moral or immoral conduct is to emphasize the personal and private responsibility of the individual for his own actions, and that is a responsibility which a mature agent can property be expected to carry for himself without the threat of punishment from the law.

Portions of this bill relate to the operations of the Department of the Solicitor General and fall within the jurisdiction of my colleague who is here sitting in the house with me. They deal with the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act. There is in addition one section of the Criminal Code, section 634, which deals with imprisonment of over two years and less than two years. That proposed amendment is also the concern of the Solicitor General (Mr. McIlraith).

[*Translation*]

I feel, I must point out briefly the eight main topics which fall within his jurisdiction:

I shall not deal at length with these amendments, as the Solicitor General (Mr. McIlraith) will comment on them in due course. At this point, I shall limit myself to pointing out that they deal, among others, with the following topics:

(1) the circumstances which make it necessary for delinquents to be imprisoned in a penitentiary or a provincial institution;

(2) an increase in the number of members on the National Parole Board;

(3) the continuous supervision and orientation of those delinquents who are released, not on parole, but for having accumulated remissions in excess of 60 days;

(4) the crediting of the remission periods deserved by the inmate in the calculation of the length of his parole;

(5) the obligation to credit to the inmate the period of time during which he has been held after suspension of his parole or while waiting for its cancellation;

(6) faster transportation to the penitentiary of inmates originally detained in a provincial institution while their appeal is heard;

(7) a proposed new standard for remission applicable to the inmates of provincial institutions in order to allow them to be eligible for total remission as they would have been allowed had they been detained in a penitentiary.

[*English*]

That is neither an exhaustive nor a detailed exposition of the provisions of the bill which fall within the jurisdiction of my colleague, the Solicitor General. He will be explaining further that part of the bill relating to the matters for which he is charged under his statute.

I do not wish to go into any detail about the amendments in respect of harassing telephone calls, but I would hope that that provision will be looked into by members of the committee. I draw it to the attention of the house.

There are some important amendments relating to suspended sentence and probation. At the committee stage I hope these amendments will be given thorough scrutiny.

There is an important amendment in respect of misleading advertising which transfers the provisions of section 306 of the Criminal Code to the Combines Investigation Act and gives the federal Attorney General jurisdiction over the prosecution. I cannot

resist saying that the consumer has a fundamental right to correct information and that truth in advertising is essential to any charter for the consumer. I hope these amendments will more effectively protect the consumer's right to correct information in future. The Minister of Consumer and Corporate Affairs (Mr. Basford) and I intend that there shall be vigorous enforcement of these provisions on a national basis.

In response to many pleas from societies and others concerned about cruelty to animals there are some important amendments in the Code relating to cruelty to animals. There are also some important provisions relating to fitness to stand trial and insanity, basically to the effect that the guilt of the accused should be first tested before the issue of insanity is tested so that insanity does not prevent the nature of innocence or guilt from remaining forever in abeyance. Hon. members will want to review these very carefully.

There is one matter I should like to mention which involves the detention of witnesses. I mentioned it when I introduced the bill before Christmas. Under the law as it now stands a material witness in a criminal case can be detained with no time limit prescribed if there are grounds to believe he will not appear to testify when required to do so. Under the amendment it is proposed that no witness shall be detained for a period exceeding 30 days unless prior to the expiration of that time he is brought before a judge. It is proposed that a person detained as a witness may on his own motion, within that 30-day period, make application to be brought before a judge. Unless the judge before whom the witness is brought is satisfied that his continued detention is justified, either because of evidence adduced at the time of that application and because it is clear that his evidence at the trial itself will be material to the case, the judge will have to order him to be discharged or released on recognizance. On the other hand, if the judge is satisfied that his continued detention is justified, he may order that he remain in custody but the total period of detention shall not under any circumstances exceed 90 days.

The case which gave rise to the proposed amendments was brought to light by the right hon. member for Prince Albert (Mr. Diefenbaker). I am sorry he is not here now to hear me say this. It involved the detention for several months of a young fellow, 20-year old Henri Berubé, at Montreal because it was alleged that he had been an eyewitness to the murder of James D. Ross. I hope it will give the right hon. gentleman some personal satisfaction to know that his crusade in this particular case has brought a remedy into the criminal law.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Turner (Ottawa-Carleton): I now ask the house to proceed with the second reading of the bill. As I understand the precedents and the Standing orders of the house, Mr. Speaker, consent at the second reading of the bill represents agreement on the main principles of law reform, within the limits of the bill, as well as on referring the bill to the committee.

• (3:50 p.m.)

[*English*]

May I say to members of the standing committee that I appreciate the considerable amount of work that will now be before them if the house grants second reading to this bill. I am confident that members of the committee will give this measure a thorough study and their best judgment. This bill will provide a major test for the new rules and the broadening of our committee system. I have always believed that the power of the legislature should be strengthened as against that of the executive. The committee system should provide members of parliament with a forum in which to exercise their individual judgment and in which to obtain the necessary information upon which to base that judgment. The proper functioning of our committee system is not to my mind an Americanization of our parliamentary traditions but rather a means whereby the individual member of parliament can better fulfil his role as an intelligent servant of the people in the way they intended when they put all of us here.

I do not intend to tamper with the freedom of the committee. I respect its membership and its collective judgment. Under the new rules the committee will technically be able to call witnesses as it deems fit. I do not intend to transgress upon the committee's prerogative in this regard, and I hope I am not doing so now if I remind the house that certain aspects of this bill have already received deep study by members of the House of Commons, particularly those relating to abortion and the breathalyzer test. When the committee in its good judgment sees fit, my parliamentary secretary, the hon. member for Louis-Hébert (Mr. Cantin), whom I wish to thank publicly for all his help and support

in the presentation of this bill, will consider it a privilege, as will I, to appear before the committee together with the officials of the Department of Justice.

May I say in conclusion that there is nothing immutable or unchangeable about the criminal law in this country. There is nothing infallible about parliament which enacts it. Reform of the criminal law should not be just a decennial tradition—not just once in ten years. I think reform of the criminal law should take place more frequently than that and more frequently than even just once each parliament. If in the light of experience any changes or additions to the Criminal Code appear not to have been in the public interest, they can always be changed or repealed at any time. Nor will I hesitate to bring forward any further amendments in the future whenever that appears to be in the public interest, as I subscribe to continuous legal reform.

The government intends to establish an independent national law reform commission having as its principal term of reference the continuous reform of federal statutes, giving us the ability as well to plan ahead in the development of our law. This commission will be independent of government and will be charged with an objective assessment of our law and its applications. We have established a research branch in the Department of Justice so that the justice side of the department will be just as effective as the Attorney General's side.

It is my hope that shortly after this bill has been dealt with I will be in a position to introduce another bill dealing with, among other things, wiretapping and electronic eavesdropping, pre-trial detention and bail.

I ask the members of this house to summon up their best collective judgment in the analysis of this complicated measure. Today all of us here embark once again upon that endless search for justice and for an understanding and compassionate system of law, perhaps falling short of the goal in our uncertain stumblings but always seeking the ultimate reach of the human heart.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I think I would be remiss in my duty and responsibility as the first speaker for the official opposition on this serious matter if I did not say that I listened to the Minister of Justice (Mr. Turner) with great interest. I know he took great care in preparing his address.

I suppose this might be an afternoon when all the critics of lawyers might look upon us and say that they all have certain characteristics and to some degree are slightly charismatic. To take a personal approach for a moment, last year I noticed a comment in the *Globe and Mail*—someone drew this to my attention over the weekend—that I sometimes impersonate Perry Mason. I felt very deeply about that, a little touched and a little hurt. I am about the age of the Prime Minister (Mr. Trudeau), not a chicken or a boy. I have been practising law for 25 years. If Perry Mason appears to act like me then I suggest he has copied some of my methods over the years.

On the serious side, we have a motion before us that this omnibus bill receive second reading and be referred to the standing committee. The order of business reads:

> Second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-150, an act to amend the Criminal Code, the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and to make certain consequential amendments to the Combines Investigation Act, the Customs Tariff and the National Defence Act.

Although I do not intend to do so now, at the conclusion of my speech I will move the following amendment, and I read it now to bring it to the attention of hon. members, particularly the spokesmen for other parties:

> That the said motion be amended by adding after the words "National Defence Act" the following:
>
> "and the said standing committee be instructed to make and bring into the house four separate reports in relation to the following matters contained in the bill,
>
> all clauses:
>
> (a) referring to abortion;
>
> (b) referring to homosexuality and gross indecency;
>
> (c) referring to lotteries and gambling; and
>
> (d) all the remaining clauses of the bill."

We say at the outset that the committee should be instructed under the new rules to bring in four distinct and separate reports on the matters I have set down in the amendment I intend to move at the conclusion of my speech. I realize and appreciate that I am treading on new ground. Under the new rules the philosophy and purpose behind second reading of a bill before the house are completely changed. Under the former rules governing the procedures of parliament the matter of principle was under consideration and discussion, and when the speeches were finished and the question was put the vote and decision of the House of Commons were made on the principle of the bill itself. In brief, when we considered the principle of

the bill we considered the fundamental primary elements and the fundamental truth and the general law contained therein. We also considered the fundamental moral motive and the substance of the bill, particularly in respect of a bill such as this. But second reading of a bill has been downgraded and is now a matter of procedure only.

Under the new rules a member of parliament can wholly disagree with the principle, the substance, the motive and the purpose of a bill and vote for it on second reading because he is merely sending the bill on a trip to a standing committee for study. We have always had the procedure, and I want to make this clear because some people think this is new, of studying a bill by referring it to a standing committee of the house. I need not bring to your attention, Mr. Speaker, with your years of experience as our Speaker, the great volume of changes made in the National Transportation Act. Actually a brand new bill was produced as the result of the many hours, days and weeks of study by the committee before it was brought back to the house. Many amendments were moved to the bill by that committee. Many suggestions were made. So the fact that under the new rules the standing committee will consider this bill clause by clause is nothing new. This is not a new reform; we have been doing it ever since we have had the parliament of Canada.

• (4:00 p.m.)

The Minister of Justice said in the House of Commons on January 16 in answer to my oral question that the bill would not be split into categories or divisions separating that part of the bill dealing with acts in private between husband and wife or consenting 21-year old adults, that part pertaining to gambling and lotteries for particular purposes, namely, when the proceeds are used for a charitable or religious object, or with regard to wagering on horse races, agricultural fairs or exhibitions, etc., that part of the bill legalizing an abortion to a female person where the continuation of her pregnancy would be likely to endanger her life or health and, lastly, the other general terms and amendments to the Code with which the Minister of Justice dealt at the end of his speech. The minister, as we do, once wanted the bill categorized and broken down in order that abortion, homosexuality, lotteries and the other amendments could be considered separately so that every member of the House of Commons could vote according to his conscience. That is what we want.

Some hon. Members: Hear, hear.

Mr. Woolliams: There is no way in which the minister can say that this is not what he intended and that he has changed his opinion. In fact I say to the minister now that his presentation in this regard seemed to be apologetic. He was regretful and was on the defensive; he protested too much. He laboured hard trying to explain and justify his position. So far as the test of the general election is concerned, I will not go into that subject. I will only say that it was not part of the government's program to go to the people on matters of homosexuality or abortion. Perhaps the charisma of the Prime Minister might have had something to do with it.

I need not remind the house that lotteries, homosexuality and abortion are matters of great concern to our consciences. They are matters of concern to the sense of what is right or wrong in one's conduct or motives. They are matters of concern impelling all Canadians toward the right action according to their consciences. They are matters that are complex, made up of component parts of ethical and moral principles that control or inhibit the actions or thoughts of every Canadian. They may be described as involving for every Canadian an inhibiting sense of what is prudent, just and right. These subjects must be given strict and reverential examination. I want that kind of consideration, and the Canadian people want it so they can express themselves and their consciences on these separate and distinct matters. I suggest the Minister of Justice also wants this.

This leads to comprehending the complexity of these many subjects affecting the conscience of every Canadian. There are members on both sides of the house who will have to compromise some of their principles and, above all, compromise the principles of their constituents, because we are not here primarily to study and understand our own consciences. We are representing the people of Canada—265 members speaking for 20 million Canadians. That is why we are here. Parliament is the people's conscience. There are members who would vote for all parts of the bill except those clauses dealing with homosexuality. That is the way some of them feel, and that feeling exists among members on the other side.

An hon. Member: How do you know?

Mr. Woolliams: Because I have talked to some of them. Here I would say to the new members that there is a gentleman's agreement that one never discloses the source of one's information by name. However, let me not be put off the track.

There may be members who would vote for all parts of the bill but those sections in reference to abortion, and they should have that privilege. Others might vote for those sections of the bill if the word "health" was legally defined, and they also should have that privilege. The same problem may arise as to lotteries. To carry the argument to its conclusion, on the one hand there may be members who will not vote for any of the sections dealing with homosexuality, lotteries or abortion but are prepared to support other merited changes and reforms to the Code. The whole package may be good politics but the way in which it is presented to parliament exemplifies rotten procedure and bad reform.

I do not believe I am treading on sacred ground when I remind the government and the minister that various religious groups and bodies differ on what they consider acceptable to their faiths, their religious institutions and their consciences. It is utter nonsense to suggest that members of parliament and indeed Canadians, who were one of the first peoples to be guaranteed their religious freedom by the common law, by the Bill of Rights and by other statutes, can separate their spiritual and the temporal responsibilities. I remember when in July of 1960 the right hon. member for Prince Albert (Mr. Diefenbaker) pointed out in the debate on the Bill of Rights that Canada was the first nation to get its religious freedom by statute. Students of political science will recall the following words from St. Matthew, which have been quoted in many political texts:

> Render therefore unto Caesar the things which are Caesar's;
>
> And unto God the things that are God's.

Of course we must differentiate between the spiritual and the temporal. Therefore this bill should be separated and divided so that all changes can be fairly decided upon according to the consciences of members of parliament and the people of this nation. I point out that when the Minister of Justice was campaigning for leadership he realized and appreciated the degree of feeling connected with some of these matters and felt the political pulse of the delegates. He said that this bill would in fact be considered in the manner I suggest today, that it would be divided to allow us to express ourselves according to our consciences and our feelings. I ask him now, why the change? I ask him in all sincerity, because he knows I respect him as a friend, who runs his department?

Mr. Turner (Ottawa-Carleton): I rise on a point of order, Mr. Speaker. I do not recall ever having said that during the leadership convention. Mind you, I said a lot of things but I do not think I said that.

Mr. Woolliams: I never thought that from the time the convention was called until now the minister had ever stopped running for the leadership. But I will not get into an argument about that. If he says he did not say it during the active part of the leadership campaign, let me tell him he did say it on TV and to the press. I have the clippings. I do not intend to get into an argument in that regard. But since he is rising on a point of order let me ask him: Who runs his department? Does he or does the Prime Minister?

At the end of my speech I shall make some points concerning why I consider my amendment to the main motion to be relevant and in order. Before I leave this point let me make it clear that we in this party did not move that the bill be not read a second time, nor did we move that the standing committee not study it. We merely intend to move an amendment on the substance of the bill, that when it goes to committee it be studied in a certain manner. I submit that this puts the amendment in order.

I will now go on to another aspect dealing with the Criminal Code. The Minister of Justice said that these are the greatest changes made since the Code was enacted in 1892. I felt he downgraded that great Canadian, Mr. Garson, who was minister when great changes were made to the code, and the minister knows it. The present Criminal Code of Canada is at best a haphazard arrangement based on English precedent, historical accident and outdated mythology. The minister has not scratched the surface in this regard. We can trace the foundation of the Criminal Code back to the work of Sir James Stephen. His draft code of 1868 along with Burbidge's Digest, which was really an edition of Stephen's work in a Canadian context by Mr. Justice Burbidge of the Exchequer Court of Canada, became the Canadian Criminal Code in 1892 after being presented

to the parliament of Canada by the then minister of justice, Sir John Thompson.

• (4:10 p.m.)

Some hon. Members: Hear, hear.

Mr. Woolliams: I am very happy that I have pleased one section of the country.

The development and improvement of the Code over the past 70 years has been largely by way of amendment. The minister told us today: I have got this bill now, but I shall be adding something else tomorrow. He is like Alice in Wonderland. When we look at this great article we see this beautiful, fine picture of a Canadian who is a great reformer.

Some hon. Members: Hear, hear.

Mr. Woolliams: But he has had to admit that everything he has done to date the Prime Minister has handed to him on a platter. Yet tomorrow, like Alice in Wonderland, he will become a great reformer.

My good friend from British Columbia over there is a member of the bar. I hope he will give this measure some study because I am sure it is important to him and to his people.

As I was saying, the development and improvement of the Code over the past 70-odd years has largely been by way of amendment, as is proposed today. The desirability of proceeding in this manner has been challenged by a leading Canadian authority, Professor Alan Mewett, who in an article entitled "The Criminal Law, 1867-1967" which appeared in the Canadian Bar Review stated:

> The numerous amendments present a shocking indictment of the process of criminal legislation.

Professor Mewett concluded in somewhat dejected fashion—he did not appear to be as excited about the Code as does the Minister of Justice—by saying:

> Thus, tampered with and tinkered with, it remains the monument of the eminent Victorian, Sir James Stephen.

Later he added:

> But it is not a cause for congratulation that Sir James Stephen would be quite at home with the Criminal Code of 1967.

I ask you, Mr. Speaker, whether this same unhappy conclusion could not be drawn in 1968 or in 1969? Of course it could. What should we be looking for, then, when we consider the reform of the Criminal Code? We heard what the Minister of Justice had to say in this regard and I think most hon. members would be in accord with much of his thinking as to the need of a codified law relating to the morals of the nation.

The notion that crime can be placed in a single category is erroneous. Violent crimes create a climate of fear in the streets of our growing cities. White collar crime, though important in economic terms, is much less visible than are crimes of violence. The material cost of crimes such as petty theft, consumer fraud, violations of the Combines Investigation Act and embezzlement dwarfs, in economic terms, all crimes of violence.

To control violent crime and white collar crime we must have laws which are practical and acceptable to modern interpretations of life and human behaviour. The Minister of Justice agrees with me in this regard. This is why I hoped the minister, when he talked about amending the Code, would really do a job and not merely scratch the surface.

The value of proper laws and proper law enforcement cannot be underestimated in connection with the control of crime but I have felt for years that we must get at the breeding grounds of crime. What are those breeding grounds? Crime breeds in the cesspools of injustice. Crime breeds in the urban slums of our fast-growing cities. Urban poverty makes people the victims, not the masters, of their environment. A bad environment becomes the hereditary property of succeeding generations.

In order to launch a major assault on crime we must attack the conditions of despair and denial of human opportunity in which crime can grow. However, crime still thrives under conditions of affluence; it is white collar economic crime which is erroding the capitalistic system and promoting more controls, less freedom. Carried to a conclusion, this kind of crime will lead us farther down the road of socialism.

In brief, police, courts and prisons cannot by themselves control crime. We must all deal with it. We must also deal with the underlying causes of crime, the immense and stubborn forces which pervade our environment, form our character and determine the quality of our lives. Through long-range effort in a new land of bountiful resources such as Canada, we can surely conquer poverty, ignorance, disease, discrimination, family breakdown, injustice, social tension and despair. But while we must strive to uproot the causes of crime we must put our practical mind to work in amending the various sections of the Criminal Code in such a way as to guarantee that the law is respected, and so that it shall

not protect the rich while constituting an injustice against the poor. Crime is a national problem in terms of our constitution, and that is why we are debating the present measure in the House of Commons today. Law enforcement, as the Minister of Justice reminded us earlier this afternoon on the orders of the day, is a provincial and local responsibility. This parliament has a legal responsibility, but there must, of course, be some liaison between the hon. gentleman's department and others working in the field of justice and law enforcement. Incidentally, I wish the R.C.M.P. was still under the jurisdiction of the Department of Justice so that liaison might be improved. I see the Solicitor General (Mr. McIlraith) looking at me somewhat sharply, in a manner he can use at times—

Mr. Baldwin: A sardonic smile.

Mr. Woolliams: It is for us to bring excellence to every aspect of the administration of criminal justice—to correction, to courts, to law enactment in every jurisdiction in Canada. Laws must be reformed. They must be repealed if enforcement is impossible, if the majority of people find them unjust and no one pretends to obey them and, above all, if no one is willing to enforce them. Surely this is the purpose of amending the Criminal Code. At least, I hope it is.

We hear a great deal of discussion about reform. Let us consider what we might have done today. Despite the length of the bill and the number of clauses, 120 in all, many significant and desirable changes are regrettably not included. One of the most urgent areas of reform is our system of bail in Canada. The Minister of Justice has mentioned this in the past, but I note we are not being asked to deal with any specific proposals here. Why could we not have been given a thorough review of the Criminal Code and cleared the whole thing up in one shot without further delay? I am pleased to think the Minister of Justice agrees with me. In the October, 1968, edition of *Maclean's* magazine, which I hold up for hon. members to see, the hon. gentleman sets out his conception of justice and is reported as saying in part:

> —a man has to have equal right to counsel; provisions like bail have to operate equally as between rich and poor—

Recently a report appeared that in one of our great provinces in this nation people have waited months, even years, for trial. This sort of thing does not happen in only one province. Representatives of the party to which I belong have asked for a royal commission to look into these things but there has been no affirmative approach to this request on the part of the government. Why was bail reform not included in this omnibus bill? Provision should have been made. When we asked him about it the minister said, in effect; It should be there but it is not. What he really means to say is that the Prime Minister would not let him insert it.

The original idea of bail was, of course, to make certain that the accused would appear. But our existing bail system is not ensuring this. There are many problems. Magistrates generally set bail according to the offence charged rather than according to the chances of the accused reappearing for his trial.

• (4:20 p.m.)

I began to practice law 25 years ago, though let me say I did not inherit a law practice or have that kind of affluence bestowed on me. Like many of the lawyers in this House of Commons I had to do a lot of police court work. What happened when I went to the police court to have bail set in a case? The first thing that the magistrate asked Crown counsel was what the accused's record was. The accused might not have been in trouble for five years, but if the police knew the man's record and that he had committed a certain crime five years previously, in some cases they rounded up all such suspects and charged them with vagrancy. Then they stayed in jail. These young, disillusioned men who thought they had rehabilitated themselves, would tell me they had been in jail since Friday and had lost their jobs, that their families thought they had returned to crime.

Mr. Nielsen: It is still happening.

Mr. Woolliams: You bet it is still happening; it occurs every day. Reform in this regard would have made my heart pump with the proper kind of blood.

Then let us consider the great problem raised by marijuana. I remember one case in which Crown counsel was E. J. McCormick, Q.C.—he told me I could use his name—and the accused came from a good family. Counsel told me that the accused was going to appeal and that he wanted the magistrate to reduce bail. The magistrate said he could not, that the matter had to go to the high court. While arguments of this sort go on, the youth becomes further frustrated and stays in jail.

More disturbing is the result of surveys that have shown that in some cities well over half of all accused persons did not raise the bail that was set at their first court appearance. I can assure you, Mr. Speaker, that the half who remained in custody were not the rich.

Mr. Nielsen: How about bail for Indians?

Mr. Woolliams: The hon. member for Yukon (Mr. Nielsen) mentions bail for Indians. Not only can they not get bail, but they never have counsel. I have seen Indians in court in the Peace River area. I went up there twice to defend an oilman on an impaired driving charge. The rich do have to come to us fellows who represent the poor, and I will tell you why, Mr. Speaker; it is because we have a knowledge of criminal law. Clarence Darrow's life illustrates that. When the railway companies got into trouble they came to him.

Even when the accused is able to raise his bail there is often an inexcusable delay in releasing him. The rules relating to the security that an accused can use are anomalous and unrealistic. Finally, there is a multitude of problems concerning professional sureties and money lenders.

I have not given an exhaustive outline of the problems, but I trust that it has been sufficient to illustrate that the minister was abundantly right when he said that bail revisions should be included in the omnibus bill. Did the minister do so, Mr. Speaker? No. I heard a member from the New Democratic party ask why not. As long as this discrimination exists it means that there is one law for the rich and another for the poor.

I now want to move to another section. Section 622 of the Code provides the judge with discretion, in cases where the maximum penalty is not more than five years, to impose a fine in lieu of imprisonment or in addition thereto. But in cases where the maximum sentence is more than five years the judge cannot impose a fine in lieu of or in addition to imprisonment.

I had an experience two or three years ago in defending a couple of university students on marijuana charges. We went through the preliminary hearing because we wanted to plead before the high court where we thought we would get fairer justice. Under the Narcotic Control Act the maximum sentence for possession and use of marijuana is seven years. The accused in this case were Americans and counsel for the Crown contended they should have been charged with trafficking, which carries a maximum sentence of 14 years.

Let us apply this case to section 622, since we are talking about reform. The maximum sentence was more than five years so the judge could not impose a fine in lieu of imprisonment or in addition thereto. Therefore, what did the lawyers have to do? We went to work in back rooms to devise a method to enable the judge, who wanted to fine these accused, to send them back to the place in the United States whence they came. We found a case that held that the judge can count time spent in jail awaiting trial, although the court of appeal of Alberta disagreed on this point with the court of appeal of British Columbia and held it could not be done. Since it was about this time of day we asked the judge to give them one day in jail and a fine, and that is what he did. We found a House of Lords case which held that since sentence was passed after dinnertime the accused did not have to serve any time in jail. This sort of thing is not good enough and should be the type of reform that the minister should come to grips with. He has a large staff in his department and it would not be too difficult to overhaul the Code.

Some of the offences which fall into the category with which I am dealing are false pretences and theft under $50. The $50 limit was set so long ago that it is now ridiculously low as a result of inflation. It is difficult to steal anything worth under $50 any more, even from Woolworth's. A bit of shoplifting or siphoning gas, involves amounts that are under $50 as a rule. Therefore I think some consideration ought to be given to changing the figure of $50 in the same way as in district court, as opposed to the small debt court, the jurisdictional limit has gone up. In addition, under the Narcotic Control Act possession of marijuana carries a sentence of seven years, and this is likewise outdated.

One of the distinguished members of this house, a former Attorney General who is a member of this party, was talking about this very matter the other evening and remarked that we would all be upset if we found our own children using such substances. We would be even more upset to find them being used by professional men and people from certain families. I am going to deal later with the poor people who do not have any chance at all. I think we would all be upset if we found our children charged under this kind of outdated, Victorian law. I think the sentence should be a fine.

What happens to the poor boy or girl who has no counsel? I recall an occasion when four lawyers worked on an argument that asked the judge for a sentence of one day in jail and a $500 fine. Can the average man afford this kind of counselling today? Of course there is one law for the rich and another for the poor.

Let me deal with some other anomalies. That same section of the Code provides for the giving of time to pay. But who goes before judges on theft and false pretence charges? Mostly people without money and without jobs, with little education and with few prospects. Some of them will scrape up the fine but others, after asking for a number of extensions, find that they are unable to raise the money. What happens? They go to jail.

I thought that in this great "just society" the day had ended when a person went to jail for debt. Take the case of a boy accused of an offence whose father can afford to pay the fine. The fine is paid. But take the case of a boy whose father cannot find the money to pay the fine or who has no father: he goes to jail for debt.

• (4:30 p.m.)

The present Code provides that a magistrate has, with the consent of the accused, jurisdiction to try any offence except a handful like rape, murder, treason, etc. This means that between 85 per cent and 90 per cent of all criminal cases are tried by magistrates who are overworked. Thus, if a youngster who has no record does not plead guilty he frequently elects trial by magistrate. The old hand almost invariably chooses the high court. He knows the ropes and knows he stands a better chance, especially with a good counsel. The old hand then has the benefit of a lengthy preliminary inquiry and, if committed for trial, has the right to change his election to a district court or other high court. That right stems from a decision of the Supreme Court. He can even, during a preliminary, re-elect to be tried by the magistrate. Authority for that statement is Cooper *v.* The Queen, a Nova Scotia case which was affirmed in the Supreme Court. Thus the magistrate's time is taken up with lengthy preliminaries and the district court judge or the court of Queen's Bench hears all the evidence again. If all magistrates were lawyers one might not object if their jurisdiction were absolute. But in some parts of the country, in Alberta especially, magistrates are not necessarily trained in the law. It is dangerous, therefore, for an accused to appear before an untrained magistrate.

Many years ago a magistrate in southern Alberta, after hearing evidence for a couple of days, said, "I will now deliver my judgment." The judgment he delivered was: "I have seen you grow up, sonny. You never were any good to start with and you are still no good, so I am going to send you to penitentiary." Some hon. members may laugh, but I took the matter seriously. I took it to the court of appeal and the judges there concluded that the magistrate had not considered the evidence. What would have happened to that boy if no lawyer had taken the case to appeal?

Mr. McIlraith: Was the magistrate referring to the accused or the lawyer?

Mr. Woolliams: I don't know, George. I will not get into an argument because I took the case very seriously. You go back to your mortgage practice.

Some hon. Members: Oh, oh.

Mr. Woolliams: I was only joking with the Solicitor General. I have recognized over the years that he is an able lawyer. I was only trying to be humorous, not facetious.

We must review the question of jury trials. In some instances the legal process, where a man elects trial by jury, is extremely slow. On the other hand, in Alberta one can elect to be tried on almost any kind of charge by a judge alone without a jury. That stems from old legislation passed in the days when the Northwest Territories were sparsely settled. There were not enough people to make up juries and judges had to try cases alone. Alberta is the only province where such legislation is in effect. Personally I believe that the jury system provides substantial justice for the average man. He is tried by his peers who intuitively do the right thing. In this respect the whole question of the administration of criminal justice cries out for attention and reform. Not only should the appeal system be modernized but the entire pre-trial process of preliminary hearings, grand jury hearings, etc., ought to be examined.

Part of this examination or reorganization might include the following suggestions with respect to preliminary inquiries. At present, if the accused does not elect to be tried by a magistrate there must be a preliminary hearing. As hon. members who are lawyers know, even where accused wish to go to a high

court to plead guilty—an example is the two university students I mentioned—they must still go through the preliminary inquiry process before reaching the high court. Why could the government not say that in instances like that the preliminary inquiry could be waived? Why could an accused not go directly before the trial division of the Supreme Court? That sort of reform might be considered. That is the sort of reform Canadians who read the Prime Minister's book thought they would see. It seems that we are to have jam tomorrow but not jam today.

One of the cornerstones in the common law system of criminal law is the traditional principle that the accused is presumed innocent until his guilt is proved beyond a reasonable doubt. However, there have been in the past exceptional cases in which the legislature has thrown upon the accused the *onus probandi* of a part of the issue. Strong objections have been raised to legislation of this type so much so that members of the judiciary have made such comments as "it is a pernicious method of proof to introduce into the common law." Another judge said that legislation of this type is opposed to every principle of what is right and just and to the entire spirit of British law. The most outstanding example of this type of legislation is section 295(1) of the existing Criminal Code which reads:

> Every one who without lawful excuse, the proof of which lies upon him, has in his possession any instrument for house-breaking, vault-breaking or safe-breaking is guilty of an indictable offence and is liable to imprisonment for fourteen years.

Under the existing legislation, in theory anyone could be charged for having a flashlight or screwdriver in his glove compartment, objects which I am sure many of us have in our cars. That is because the offence is complete when the Crown establishes possession by the accused of a screw driver, flashlight and so on. There has been much general concern over the years about this type of legislation. In June, 1967, Mr. Justice Hall said in a Supreme Court of Canada decision in Tupper *v.* The Queen:

> Whether Parliament intended it or not, s. 295 (1), as it reads, permits of no other interpretation. It puts the possessor of many necessary tools of trade, automobile accessories and tools and hundreds of similar instruments used and carried daily for routine purposes which might be capable of being used for house-breaking in the position that merely from being in possession under the most innocent circumstances, he can be brought into court and put to the proof that he has a lawful excuse for having a screwdriver, a flashlight or some other such household tool or instrument in his car, boat, tool kit or on his person at any given time or place which includes his home. It can be argued and readily accepted that this may not happen frequently, but it can and may happen if Parliament really intended what the section says when, without any qualification as to time or circumstance, it put the burden of proof on the person in whose possession any such item may be found.

[Mr. Woolliams.]

How does this section of the Criminal Code affect, say, a young man who in his youth did a little breaking and entering for which he was convicted and who is picked up by a policeman a couple of years later when a robbery occurs in his district? If a policeman finds in the glove compartment of the young man's car a flashlight or screwdriver he can charge him with possession of burglars' tools and the onus is on the boy to prove his innocence. He needs a good lawyer. And many of our young men caught in a similar trap cannot afford one. It thus becomes incumbent on us to take a very careful look at this type of legislation and assure ourselves that any departure from significant principles of the common law are clearly justified.

In this regard the committee will have to balance carefully the competing forces that will be created by proposed section 224A, popularly called the breathalyzer section. During this inquiry committee members should also satisfy themselves as to the reasons for removing the words prima facie which precede the words "evidence" in a number of places.

When talking about the breathalyzer test the minister said, "But you don't have to take it." If my interpretation of the section and that of other lawyers is correct, it means that if the policeman who stops you is reasonably sure you have been drinking and asks you to take the test and you refuse to do so, you are then guilty of an offence. Let me say at once that as a Canadian I agree with the minister that murder on our highways must be ended. He quoted some interesting figures. They show what happens when the use of alcohol is abused. But legislation seeking to cure the evil of the drinking driver must not be a worse evil than the one it seeks to cure.

• (4:40 p.m.)

Next I wish to direct my attention to the problem of an accused's right to obtain counsel. The present Criminal Code in section 709(1) states in part:

> —the defendant is entitled to make his full answer and defence.

Any hopes that this would provide adequate protection for an accused were abruptly shattered in 1966 in Regina *v.* O'Connor when the Ontario court of appeal held that where the accused was refused permission to obtain

counsel at a police station he was not prevented from making a full answer and defence at his subsequent trial. An appeal to the Supreme Court of Canada upheld this decision. In other words, the accused has a right to demand a lawyer for his trial but it does not give him the right to obtain a lawyer before the police question him, or under certain procedures that take place at the preliminary hearing. He is entitled to make one telephone call. He calls his lawyer and if the lawyer is out, then that is his call.

It is essential that we bear in mind that the judicial rule is that relevant evidence is admissible regardless of how it is obtained, with the exception of confessions of accused obtained under duress or promise. Consequently, it is relevant for the purposes of the trial whether the method of acquisition contravened the Bill of Rights which states:

—no law of Canada shall be construed or applied so as to . . . (c) deprive a person who has been arrested or detained (i) of the right to be informed promptly of the reason for his arrest or detention, (ii) of the right to retain and instruct counsel without delay—

Mr. Justice Aylesworth of the Ontario court of appeal stated in Regina *v.* Steinberg:

The appearance of justice is an important element to be considered in criminal matters—

Notwithstanding this statement we still do not have, not even in the so-called just society, adequate provisions to ensure the right of an accused to counsel throughout the period of his detention—and how important that is to a first offender.

I want now to direct my attention to certain matters which, as I have said, affect the conscience of every member of parliament and every Canadian, namely, those sections dealing with abortion and homosexuality.

In reference to abortion the amendment does not change, in my opinion, what has been the general social practice and the basic general judicial interpretation of the Criminal Code at the present time. Section 209 states:

(1) Every one who causes the death of a child that has not become a human being, in such a manner that—

The words "in the act of birth" have since been added.

—if the child were a human being, he would be guilty of murder, is guilty of an indictable offence and is liable to imprisonment for life.

(2) This section does not apply to a person who, by means that, in good faith, he considers necessary to preserve the life of the mother of a child that has not become a human being, causes the death of the child.

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In other words, there are exceptions. Today if a doctor in good faith decides that the life of the mother is of prime importance he can perform the operation without the consent of a committee and is exempt from being charged with an offence under the Criminal Code. This has been interpreted by the House of Lords, which decisions are usually followed by the Canadian courts, including the Supreme Court of Canada.

The words, "preserving the life of the mother" are to be construed in a reasonable sense. They are not limited to the case of saving the mother from violent death; they conclude the case where continuance of the pregnancy would make her a physical or mental wreck.

That is *Rex v. Bourne*, House of Lords, 1939. In other words, section 209 is interpreted, without the words in the amendment "in the act of birth", to include not only preserving the life of the mother but also where her life would be physically or mentally wrecked. Section 195 of the Criminal Code gives the legal interpretation of a human being.

The new section states that a qualified medical practitioner who procures miscarriage of a female person and a female person who permits a qualified medical practitioner to procure her miscarriage will not be guilty of offences if the therapeutic abortion committee of the hospital where the miscarriage was procured has certified that in the opinion of the committee the continuation of pregnancy would be likely to endanger her life or health. What is the difference? Have the legal beagles really suggested this change or has it been in the hands of hanky-panky politicians?

An hon. Member: Oh!

Mr. Woolliams: An hon. member says "Oh". Mr. Speaker, with the greatest respect to the member who said that—

An hon. Member: Who said it?

Mr. Woolliams: —I have talked to lawyers and if necessary I can quote a professor who claims there is no difference. That is his opinion, but of course the law is the subject of various opinions.

Were the women of the nation consulted? There is only one woman member of this house and perhaps she feels this would have been better left in the halls of injustice waiting for women's emancipation.

The great quarrel, apart from those who are against any kind of abortion or the legalizing of a miscarriage, will likely revolve around the definition of the word "health". What does health mean? The House of Lords

stated the test that continuance of the pregnancy would put the mother in a state of physical or mental wreck. Does the new law go farther? This reform is spoken of in glowing terms. Is it window-dressing to be gobbled up by those who have studied the changes or are they merely overcome by the propaganda they have read? In the scientific medical field, with the extension of the application of psychology and psychiatry health could have a very wide definition. Words grow with sociological changes.

I think it is important, on behalf of my party and the people of Canada, to put on record certain arguments presented to me by members of my party and by societies regarding their feeling as to therapeutic abortion.

In 1933 the Supreme Court of Canada awarded an unborn child—a foetus—damages when the unborn child was injured while in the womb and the injuries were caused by the negligence of another. I would like to quote from a brief dated October, 1968, of the Knights of Columbus, an organization representing a large section of this country. I hope the committee examines this brief. Possibly the minister had to walk a tightrope but that is the responsibility of leadership and being a minister. I am not being critical in that regard. The brief states:

• (4:50 p.m.)

Unquestionably all adhere to our solemn obligation to respect the life of other human beings. Our contention is that this obligation embraces the life of the foetus. Rather than establishing a difference between foetal life and life after birth, the thrust of science is in the other direction. Indications more and more favour one human life in a maturing process with characteristics of individuality perceptible even at the moment of conception. Can anyone ignore the implications in the voluntary destruction of foetal life? When the probability of human life is involved, is one free in his dealings with it?

Our concern is the direct killing of the life of a foetus. On the other hand, we readily admit that a mother is not morally required to forgo medical treatments which will save her life if by doing so the unintended death of her foetus is incurred. Anything less than a mother's life such as personal convenience would be a disregard for life, and the sacrifice of greater values for lesser ones. No one has to tell a mother that the life she carries in her womb transcends the animal or vegetable. The physical and mental morbidity attached to abortive procedures gives ample evidence of her convictions and of those who surround her. In addition, medical tradition dictates that operative procedures are indicated only to prevent or correct pathology.

From the medical standpoint we strongly support the statement of the Catholic Hospital Association of Canada: "We know of no satisfactory arguments, nor even a consensus in the medical profession generally, for the opinion that abortion except for the rare instances when desperate measures are called for to save the life of a pregnant woman, can truly be regarded as a therapeutic means to preserve her physical and mental welfare."

That is their position. I want to make it clear, in my position this afternoon as spokesman for my party, that I am like the minister; I do not take a position. I want the committee to take a look at it. But I say to the minister that if there has ever been a bill upon which we should have a free vote in parliament, this is it.

Some hon. Members: Hear, hear.

Mr. Woolliams: I would have thought more of the Prime Minister's just society and his just leadership if he had said to the Liberal caucus and to the great national Liberal party: You have a free vote in this regard. I can assure you, Mr. Speaker, that we have considered that in the light that everyone on this side of the house can vote according to his conscience.

Some hon. Members: Hear, hear.

Mr. Woolliams: Mr. Speaker, my remarks on this bill will be quite lengthy but I suggest that even if they are lengthy they may shorten the debate. My speech was prepared by myself and the members of the justice committee of the Conservative party, and I want to thank them for their help. We are setting forward the issues which the committee must take a look at, and we are placing the position of our party on record, that everyone should have the right to vote according to his conscience on these matters.

I have said that the women have been neglected. Now I want to read from a brief submitted to the Royal Commission on the Status of Women in Canada by Mrs. L. E. Moyer of Nova Scotia. Again I say that this is not my position. I am just pointing out what some of the people of Canada think. I quote:

And yet, a significant proportion of Canadian women (it may well be a majority) are opposed to abortion for reasons which should be of interest to all Canadian women. We are not all religious fanatics; we are not all naive to the realities of modern behavior; and we are not all relics of the Victorian era who would impose on modern society the evils of puritanical and artificial moral standards. We are opposed to abortion for reasons which have to do with freedom and justice in a democratic society; and for reasons which have to do with promoting full status for Canadian women as free, independent, responsible human persons

who are worthy of respect. I suggest that these reasons deserve to be heard: that they deserve to receive a public exposure which at least approaches that which has been given to the other side of the question, realizing, of course, that abortion can hardly be considered a popular topic of discussion. The majority of people, understandably, are loath to discuss it or even to think about it at all.

I pause at that point to say that doctors do not like to talk about it. The doctors who perform these operations at various stages under the old Code do not like to discuss it.

Also, we must face the fact that affluence and the pursuit of pleasure have bred in modern society a certain softness or lack of moral courage which strongly resists subjects which are painful or even disturbing, especially where morals are concerned—

Then she asks these three questions:

Three fundamental questions naturally emerge as containing the whole issue. And it is not necessary to be a theologian, or a medical doctor, or a legal expert in order to answer these questions. And yet, they are never faced and never answered.

1. Does an unborn child constitute human life?

Under the old Code, section 195, we know the answer.

This question usually is disposed of by referring to it as an "old saw"; and red herrings are dragged out in the form of references to such matters as whether the soul is more important than the body. Sometimes the answer is given that an unborn baby constitutes "developing" life. But it is not his life which is developing. He has life already. It is not even his personality which is developing because his personality already has been determined. And how can we speak of life as "developing" anyhow? So the question remains unanswered: does an unborn child constitute human life? And, if not, the interesting question is raised: what then is an unborn child?

2. Under what conditions, in a free society, can direct and voluntary taking of innocent life be permitted by law? The proposed legislation would permit abortion under certain specific conditions. But, if an unborn child is not a human individual, why should abortion be restricted at all? Is the proposed legislation telling us that under certain conditions which may relate to the general welfare of an individual, Canadian law should provide that innocent human life can be destroyed? Or, is the proposed legislation telling us that certain conditions are necessary before a woman can have an unwanted growth removed from her body? It must be telling us the one thing or the other. And both statements are completely unacceptable.

3. What will be the immediate and the long-range effects of such legislation on Canadian women as individuals and on Canadian society as a whole? I think that the main reason this question is never answered is that sufficient study to make possible a satisfactory answer has never been undertaken.

There are two viewpoints, one from a lady writing to the Royal Commission on the Status of Women and the other by the Knights of Columbus. These are some of the questions that the public are asking and these are the matters which the committee must examine, discuss and weigh well. Is the Code badly worded? The minister said so. I agree. Is the minister curing this problem? I think not. I pose this question to the minister: Have the Canadian Medical Association and the doctors in the various provinces agreed to take this responsibility thrust upon them by the Criminal Code? And are the doctors fully protected as well as the female patients?

The special committee sat and studied many briefs concerning abortion, under the chairmanship of Dr. Harley, and were unable to agree on any kind of definition of health. Mr. Speaker, may I call it five o'clock as I think this is a good place to break off my remarks for the moment.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before proceeding with private members' business it is my duty, pursuant to standing order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Broadview (Mr. Gilbert)— Canadian Broadcasting Corporation—program respecting pollution problem at Dunnville, Ontario; the hon. member for Brandon-Souris (Mr. Dinsdale)—Bilingual Requirements for Commissionaires at Museums; the hon. member for Hillsborough (Mr. Macquarrie)—Post Office Department—negotiations respecting five-day delivery.

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

MOTIONS FOR PAPERS

INDIAN AFFAIRS

"LOCAL GOVERNMENT ON INDIAN RESERVES"

Mr. Frank Howard (Skeena) moved:

That an order of the house do issue for a copy of a document entitled "Local Government on Indian Reserves" prepared by the Policy and Planning Directorate of the Indian Affairs Branch, dated August 4, 1967.

Indian Affairs

He said: Mr. Speaker, in order that there may be some continuity for those who will be reading this debate and because it is sometimes necessary with such motions to point out that they have been transferred from another point in time I think I ought to put on the record just what is involved. The motion I sought to move yesterday asked for the production of a particular document entitled "Local Government on Indian Reserves", prepared by the policy and planning directorate of the Indian affairs branch under date of August 4, 1967. Yesterday when giving the reasons that the document could not be produced the minister said that it was a document marked "Confidential for discussion purposes". He said further:

• (5:00 p.m.)

This document was intended for field officials and I do not think that we could table it in the house since it is a departmental document prepared for internal administrative purposes.

I pointed out yesterday and do so again today that if it was a document prepared, as the minister said, for internal administrative purposes there is a tremendous amount of confusion and misunderstanding within the department itself because the document in question was given fairly wide distribution to people who were not officials of the Indian Affairs Branch and who were not employed by the branch in any capacity. In other words, departmental officials gave at least semi-public distribution to this document. That is how it came into my possession.

However, since the document deals with a fundamental and basic aspect of authority which the native Indian people should have over their own affairs I felt it would be desirable to attempt to have it tabled in parliament so that it would be a public document in the full sense of the word and would be available to all the native Indian people in Canada and not just a few of them. I have discussed this matter with a number of the native people who indicated they would like to have the document made available to them because it reflects the government's attitude as to local government control and the determination by the native people of their own affairs which is something that is pretty fundamental to them.

Without trying to offend the minister or without trying to sound as if I am offending him I submit that this is another example of the basic philosophy within his department and the government. Government tends to be secretive. It tends to be aloof from the general public in respect of the publication of documents for discussion. It tends to be a closed circuit corporation. It wishes to do things within a vacuum or behind closed doors. It does not want basically to bring people into the discussion and the development of programs and ideas which relate to them. I submit that this is simply an extension of that concept of secrecy. So far as I am concerned the concept of government should be the reverse. It should be open, friendly and generous in its discussions with people. It should do its best to obtain the confidence of the people in every possible way and only maintain secrecy in a unique situation and not as the traditional way of doing things. It is with this attitude that I disagree.

In respect of secrecy and the refusal on the part of the government to take the national Indian people into its confidence, I submit that the fact that the document itself is embarrassing to the government is the real reason it does not want to make it public. By its construction, by its phraseology, the document indicates a government attitude which is disdainful of the right of the native Indian people to control their own affairs. All this is taking place at the same time that so-called convention conferences are being held. On the one hand the government tells the native people that it wants to talk to them about certain things and obtain their views, while on the other hand it prepares documents of the type I hold in my hand and refuses to make them public and give to the Indian people the thinking within the internal structure of government about things as fundamental as local government control.

Without reflecting upon a vote of this house, I point out that a few days ago we asked in the house for the production of another document relating to the fish and game laws as they apply to the native Indian people. That was refused. Subsequently there was a vote on the matter in the house and the majority, including the minister, voted against making that report public so that the native Indian people could see what was included in it about something as basic as fishing and hunting rights. When the committee was set up to deal with the fish and game laws the gentleman who is the Lieutenant Governor of British Columbia and who was then the minister in charge of Indian affairs on behalf of the Liberal government told us that when that report was prepared it would

be made available to the native Indian people. But when it finally was prepared it was kept as a secret government document.

The government does not always act in this way. I have in mind another internal report which was prepared within this branch that the government saw fit to make available to a member of parliament from the Liberal party so that he could make a speech in the house based upon that so-called confidential report. So we have a sort of two-faced approach here in that the government is prepared to make available for political reasons so-called confidential reports which deal with some aspect of Indian affairs and yet in other cases, such as in respect of a document like this, it is determined to keep them as secret as it possibly can.

This document has the heading "Local Government on Indian Reserves". I am arguing that it should be made available to the Indian people because it reflects the attitude of the government and of the whole structure of the Indian Affairs Branch with regard to wanting to control the activities and destinies of the native Indian people and the councils they elect. This is all the more reason that it should be made public. The attitude of the government and the department is a reflection of their approach to the municipal structure.

When in respect of the Garden River reserve a disagreement rose about whether or not the council was properly elected, the involvement of the Indian Affairs Branch added to the confusion. A Mr. Eric Boyd, who I believe is the head of a section in the branch and who incidentally I do not think is competent to fill the position he holds although he may be competent as a public relations man, told us in the midst of the discussion concerning the election of the Garden River reserve council that the reserve was just like any other municipality. That reflects the attitude of the department in wanting to foist on the native Indian people an authoritarian structure similar to that of municipalities without asking them what they want to do.

In this regard I should like to touch upon an aspect of the situation in British Columbia which is fraught with tremendous danger for the native people of that province. I do not know whether the minister is familiar with it, but I certainly ask him to look into it and accept the responsibility with which he is charged in his position of protecting the rights of the native Indian people not only in the province of British Columbia but in every province.

• (5:10 p.m.)

The British Columbia legislature recently passed, at the request of the government, an amendment to the municipal act which permits the people on Indian reserves to become incorporated as municipalities. If any band of Indian people in the province of British Columbia becomes incorporated as a municipality under the provisions of this act, unless the minister and the federal government take some protective measures they will lose every single, solitary square inch of reserve land and every last penny in their capital account funds which they may have as a result of the sale of any land. They will lose every penny that may be held in trust for them by the department.

There is an order in council in existence in the province of British Columbia which dates back some time before the war. It was passed as a result of the McKenna-McBride royal commission into Indian affairs in British Columbia. When the province transferred to the federal government certain lands as a result of that royal commission inquiry which were to be Indian reserves, it passed an order in council which said that if any band becomes extinct the reserve lands and the capital account moneys from the sale of any reserve lands would revert to the grantor, that is, the provincial government. It was the opinion of the legal advisers of the Indian Affairs Branch in the early days, when the Indian people of a community were thinking about becoming a municipality, that if an Indian band in the province of British Columbia became organized as a municipality it would become extinct as an Indian band and would lose every inch of reserve land. It is incumbent on the minister, and I know how sincere and dedicated he is in respect of the cause of Indian people, to take steps to deal with this situation if this has not been done or it has not been brought to his attention.

The document we are trying to have made public contains page after page suggesting that Indian reservations will eventually become municipalities. I submit the government cannot keep going in two directions at the same time. The government cannot continue to advance the idea that Indian communities should become municipalities without taking protective measures to make sure that they know what they are doing, know

what the situation is and have access to this document. These people should be informed what the government is doing to protect and preserve their rights down to the last iota.

The document refers to the establishment of a local government bureau which is supposed to act as the co-ordinating agent of various regions, hold discussion meetings and smooth the path through the Ottawa headquarters. This is an embarrassing phrase to the public servants in the Indian Affairs Branch. The document refers to smoothing the path through the Ottawa headquarters.

Mr. Peters: It is a two-headed thing.

Mr. Howard (Skeena): My colleague suggests it is two-headed. I have already said today, although not in the house, that there is a tribal war going on in this department between the minister and the real minister, as he has been called on some occasions, the hon. member for Port Arthur (Mr. Andras). This is one of the few departments that has two heads and no direction. These two heads have been fighting with each other for favours from the Prime Minister (Mr. Trudeau) and about which one is really the head of the department.

In any event, this document was prepared within the branch and refers to the necessity of smoothing the path through Ottawa headquarters. We all know that the Indian Affairs Branch has been in the business of producing red tape for so long it has enough red tape for all the government departments and lots left over to confound and confuse itself as to what it is doing, but to have it written clearly in a document prepared by the department that there is a need to smooth the path through Ottawa headquarters is probably one of the reasons the document has not been made public in any formal way.

The people who conceived this idea felt that the local government bureau should be based in Ottawa. This is just more centralization and another example of the ivory tower attitude. These people feel they should not get into the field or talk to these native people about what they are doing or what they want. These officials want to maintain themselves insulated here in Ottawa with all the rest of the useless bureacrats who exist in the Indian affairs department. They want to set up another structure to deal with this idea imposed upon the native people. That is why this document has not been published.

The document goes on to say that regardless of any desire to permit the Indian people a free hand in running their reserves on a local basis the department cannot in all practicality divorce itself entirely because undoubtedly these people will require some guidance and control. Those sound to me like the words of bureaucrats. This is the type of thing the minister does not want the people to know. He does not want them to know the department is thinking in terms of authoritarianism and control.

That is not the only place in the document where the word "control" is used. It appears throughout the course of the document, and is used in reference to the necessity to control the affairs of native Indian people. This is the old paternalistic attitude which has plagued the Indian people of this nation for the last hundred years. It is the attitude of the government that the native Indian people are not competent to run their own affairs and that somebody in Ottawa has to do so for them.

There are a number of references in this document to controlling these people. For instance, it suggests that it is incumbent upon the department to control their affairs and that within reason it is necessary to establish control agencies. This type of reference continues for page after page. This is the real reason the document has not been published.

The minister has not told us this, but I know from speaking with him that he exudes sincerity. I know this from the manner in which he speaks, the nice phrases he uses and the intensity with which he approaches Indian affairs. I am sure he would like to make this document public. I am sure he would like to say yes, Mr. Speaker, let us make it public because it deals with Indian affairs and with something fundamental, namely, a people who desire to run their own affairs.

The minister is engaged in consultation and conference with Indian people all across this nation. He has told them to come and tell him what they want to do about their own affairs. The question which begs an answer is, why does he not make this document public?

Mr. Chrétien: Because it is not my policy.

Mr. Howard (Skeena): I notice the minister making copious notes of what I am saying. I am sure he will get up and reply. I am looking forward with interest to what he will say, and I am sure the Indian people will be interested. It is far more important that they listen to what the minister has to say than that I listen. I know that the minister in his heart could not have said the nice things

about the Indian people which he has said over the months if within his heart he really did not feel it was desirable to make this document public.

I know that the minister's confrere, that other chief who is trying to run the department, the hon. member for Port Arthur, feels in his intestines that a document like this should be made available. The difficulty is that these hon. gentlemen are subject to the pressures of the department. They have not got guts enough to stand up to the deputy minister and departmental officials who have been making life miserable for the Indians for a donkey's years. They have not got the intestinal fortitude to tell them what to do. Instead they are telling you.

• (5:20 p.m.)

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but the time allotted to him has expired.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member has just told me why I should not produce the document, because he said it is a bad document and is paternalistic. If this is so, it is not my policy to be paternalistic to the Indians. I do not want to create the impression that it is the policy of the government to be paternalistic. However, we will be judged by our acts. Even if we produce thousands and thousands of documents, what will count in the last analysis is what the government and I will decide in terms of making it possible for the Indians to make their own decisions. We will not be judged by what some member of the department may write about the problem but rather by the decisions we will make. It is on that basis that the Indian people will judge us.

I am quite happy that the hon. member has asked me to produce the document. The reason I am not doing so is not that I am too shy to produce it but that if I were to do so someone in the Indian community would be sure to say that it is our intention to be paternalistic. Perhaps there are some people in the department who have such an approach and such a mentality, but I can assure the hon. member that because of my background I could not possibly make a good colonialist, and it is certainly not my inclination to be paternalistic. If that is the impression of the hon. member for Skeena from reading the document, then he will agree with me that there is no point in tabling it. If it gives the impression of a paternalistic attitude on the part of the government, we do not wish to create any such impression.

There is another argument which I want to make. If we were to produce every document that some people in the department decided to prepare in order to put forward new ideas, then it would be impossible to operate the department. We have nothing to hide. Certain internal propositions are made which appear in documents that are not yet complete and which, if tabled too soon, can create a bad impression. The hon. member knows very well that I have said many times to Indian communities that I will make sure the Indian people of Canada will have the opportunity to make their own decisions at the band and at the reserve levels. I think this is badly needed because it will give the Indian people the opportunity to develop leadership qualities. Studies are made along these lines to see what kind of government can be given to the Indian people at the band level. They are useful, but at some point we will have to make a decision when we revise the Indian Act. It is at that time that these things will be changed.

I said to the hon. member and to the public in general that I think that most of the Indian people right now are willing and able to make their own decisions, but we have to make it possible for them. I do not think it is right for me to be obliged to sign a document when an Indian wants to get a loan from C.M.H.C. If he wants to do that, he should be able to deal directly with the corporation and not come to me as if I were his white father.

Mr. Peters: What the Indian wants is a rich guarantor.

Mr. Chrétien: Many things have to be changed. For example, I do not think it is right that in 1969 all the Indian lands are still in the hands of the minister as a trustee. We have to do something about this. This land belongs to the Indians and they should be free to do want they want with it.

I cannot agree to produce the document because it is an internal document. As the hon. member for Skeena said, if it is a bad document I do not want to give a false impression to the Indian people. In fact, he himself said it is not necessary to produce it.

I am glad he asked other questions and I will look into them. He asked a very important question about the British Columbia government and what it has decided in order to make it possible for Indian reserves to

become municipalities. He warned me that there is some danger of the Indian people in these localities losing their lands or losing the money which they have in special accounts. Personally, I am not aware of that amendment, but I will look into it. As I have said many times before, I will ensure that every action taken by anyone in the department is in the best interest of the Indian people.

I feel it is important that I should point out to the hon. member that he is asking me now to overprotect the Indians and to be paternalistic. When I am not, on the other hand he blames me and says I do not care. It is very difficult. I hope that some day he will make up his mind. If he wants the Indians to take their proper place in Canada, he should allow them to make their own decisions. When one of us makes a decision it may be good or bad but this is the price we pay for our liberty. I cannot always be paternalistic and protective toward the Indians. I cannot always tell them that they have the freedom to do this or that but they must not have too much of it, or tell them to come and see me to get advice or to obtain my signature. At a certain point in time we will have to make up our minds. I think that many Indians desire to become full citizens. They want to share both the advantage and the responsibilities of being Canadians, and they want to have the same freedoms as we. We have to move in that direction and we have made some progress with the programs that we initiated a few years ago. There is a long way to go yet and many problems to solve.

For example, in terms of education we have made great strides. Ten years ago only 15 per cent of the Indian people were going to school above the fifth grade. Now 95 per cent of the Indians are in school above the fifth grade, and this has happened in the short period of 10 or 11 years. It is a big improvement. I know that education is the key, and we have to do more about it. If good education is provided to the Indian people, they will have the mobility they need to find their place in Canadian society. I think we have to favour any programs which will allow the Indian people to fit into our society. We have to admit that it is increasingly difficult for some Indians to live in the traditional way in the far north, fishing and hunting. For many of them it is not economical any more to do that, and we will have to educate them to permit them to adjust to society and to find employment.

[Mr. Chrétien.]

I am glad to report to the House of Commons that last Friday, when I was speaking in Edmonton, I said to the chamber of mines of the Northwest Territories and the Yukon that they have to take the step of giving employment to the Indian people because there is a problem of the turnover of employment in the north and the best way to solve it is to train the Indian people to do those sort of jobs. However, I think we should not always expect the Indians to adjust to us. I said to the Indian people that we have to adjust to them also, and with the Indian people we will have the best possible labour force we can have in the north. I think we are moving in the right direction.

There are other examples of the type of policy we are developing. For instance, in the contracts that we sign with some of the mines that are developing in the Yukon and the Northwest Territories that are under federal jurisdiction, we insert clauses which force companies to hire Indian or Eskimo people. I know we will have to give special training to Indians, but we have programs for that and we will develop new ones.

I am glad the hon. member is so concerned about the Indian people. I know he is sincere and he wants to do the best for them. He can criticize me—that is what I am here for—but I hope he will offer some positive criticism in order to help me solve the problems. I do not think that to produce a document which, according to the hon. member, shows a paternalistic approach will help the cause. I can read that document, but it is not a new one. It was drafted in 1967, so it could not have been drafted while I was minister. Even if it were, this is no proof that everything produced by civil servants is approved by the minister.

• (5:30 p.m.)

I hope the hon. member will agree with me that I do not have to approve everything which is put forward to me. If documents are bad, I will not approve them. This document might perhaps give the false impression that I want to be paternalistic. I do not. Because of my age, I do not think I could be a father to 250,000 people. Again, because of my background I am a very bad colonialist. I cannot, unfortunately, because of the rules, produce the document. In these circumstances, perhaps the hon. member will accept my explanation and withdraw his motion. I understand his point. The fact I do not produce the document is not related to the substance of it

but to the rule that there are certain documents which are intended for internal purposes to help ministers make up their minds.

Incidentally, I do not intend to ask anyone to get it back. It is the person who gave out the document who is responsible, somehow. We shall be judged in the last analysis by the way in which we orient the policies of the department and in a few months I think the hon. member will learn very clearly that I do not want to be thought paternalistic.

Mr. Howard (Skeena): Would the minister permit a question? May I ask him, now that he has made this tremendously predictive speech, whether he will disown the document to which reference has been made?

[*Translation*]

Mr. Chrétien: I cannot disavow or accept the document; I say that I have not even read it all and I do not intend to read it today, but I am generally aware of what is in it. It contains statements which I can accept and others which I reject. However, I cannot reject it in full; as in any other document, I take what is good in it and reject what is wrong.

[*English*]

I thank the hon. member for telling me what is bad in the document.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to put a question to the minister.

He has just stated, in reply to the hon. member for Skeena (Mr. Howard), that he has not read that document and that he does not intend to do so today. If he has not read it, how can he know what is in it and say that the document is confidential and that it cannot be tabled today?

Mr. Chrétien: This is not the point, since the document concerned was published in 1967 and dealt with the possible administration of reserves or the development of reserves into municipalities. I have read reports on the problem, but I have never fully examined the document. I am merely acquainted with the summary and I say that I do not wish to table it, since it is a document intended for internal use and for the information of departmental officials. This is why such documents may not be published.

It is a matter of principle. I think that we are entitled within an administration to exchange views. But what really matters are not the views of Tom, Dick and Harry within a department, but the minister's decisions. The documents will help me to form an opinion. However, I do not have to accept or reject it entirely. As I said a while ago, we will take what is good in that document, as in others, and reject what is wrong.

I do not think that this attitude is contradictory.

[*English*]

Mr. Arnold Peters (Timiskaming): I shall speak only briefly on this subject.

Some hon. Members: Hear, hear.

Mr. Peters: You talked me out of it. There is so much enthusiasm being shown by hon. members who wish me to continue at length that I will do so.

An hon. Member: Oh.

Mr. Peters: This document was published by the policy and planning directorate of the minister's department. I presume it was circulated on August 4, 1967. It is not a new document. I really have not read it thoroughly; I have just glanced at it. This is a very poor copy. The department should make it a little darker for the sake of those of us who possibly need glasses.

An hon. Member: Try to get a better copy next time.

Mr. Peters: I am concerned about the secrecy employed by the department in circulating a document which certainly has some merit. If it has no merit at all, then the director should, I suggest, be fired. If these people are not producing anything of value, then we should get rid of them. I notice the minister says he has not read it. However, I should have thought his executive assistant would have considered it worthwhile bringing to his attention, or that the director himself might have been in contact with the hon. gentleman on this subject.

I have five or six Indian reserves in my riding, so I am personally interested in these matters. I was interested in the question which was raised by the hon. member for Skeena (Mr. Howard) involving Chief Pine.

Mr. Chrétien: On a point of order, this question was raised by the hon. member for Skeena and the problem was resolved after I had received representations. I declared the election was valid, and that is all. I do not understand why the hon. member should wish

to talk about it now, unless he wants to congratulate me for what I did.

Mr. Peters: I think this does really concern us; it is the paternalistic aspect of this document which is involved. In this particular case, one of the agents decided there were 603 Indians on the reserve and that they would be entitled to six representatives. After the election had been held, it was found the Indians numbered only 575. The Chief came to me about it. I found out afterward that he had gone to a number of other people as well. He is a very good politician. I have known Chief Pine for a long time and he is a smart cookie in many ways. He came to me with a legitimate problem. The Indian Affairs branch said there had to be another election because it had been found there were fewer Indians than expected. The minister would not say he was willing that the band should have an extra councillor. I checked with Chief Pine and he told me there might be ten meetings held. Councillors get $25 a meeting, so the amount at issue would be about $250. What happened, was this. The Indians met the Prime Minister (Mr. Trudeau), the Prime Minister turned to the minister responsible for Indian affairs, and said: "Settle it". The minister did the same thing as the spokesman for his department, the same thing as the law officers in the branch. He said: I cannot.

Mr. Chrétien: On a point of order, Mr. Speaker, I said, yes. And the six councillors elected are now in office.

Mr. Peters: That is not as I understand it. The minister said, no, because this question had been referred to the legal branch of the department for an opinion. The lawyers said it was not in order to override the provisions of the act. The matter was referred to the Department of Justice and that department gave a similar opinion. In these circumstances, an order in council was passed giving authority to do something which is not allowed by the act itself. This was done merely to make legal an interpretation of the act which, really, turned upon a technicality. After all, there is always room for a little give and take where figures fall very near a dividing line.

• (5:40 p.m.)

The point I am making concerns the act, not what the minister has said. This document expresses really the thinking of the officials in his department. I do not blame the minister for telling the house the document cannot be made public. He is really telling us that he does not know what is in it, whether it should be made public or not. As a matter of fact, I disagree with the hon. member for Skeena (Mr. Howard); I think it is fairly representative of the thinking of the departmental officials. He said it was a bad document but I do not think it is. I say it fairly represents the paternalistic attitude of many of the Indian affairs officials.

I have heard the minister address numbers of meetings in my area and I know that his approach is conciliatory; that he is interested in giving his own views, not those expressed to him by his officials. He has done much to bring about a dialogue between himself and his colleague and Indian bands in particular areas. In my opinion, this document does represent the views of the planning directorate of the Indian affairs branch. I think it should be circulated and torn to pieces. It is paternalistic and departmentalistic.

I know that the Indian agent, who was in my area for a while, never bothered to talk to the Indians for months and months. I know for a fact that he did not attend one reservation for a period of five months. I do not think he counted the Indians or even looked at the roll.

Mr. Howard (Skeena): Did he cash his pay cheque?

Mr. Peters: He certainly did. I asked people who worked with him how long he had been there, and they told me three years but that they didn't know what he did. He knew how many Indians had voted, so I suppose he did count them.

If the minister reads the document, then he may find it is not detrimental to him and probably represents his opinion. However, in his remarks today he has spoken against the motion and is refusing to disclose the document.

Quite frankly, I was ashamed to have to listen to an official of the department give me some silly argument about why he was not able to satisfy the little problem that Chief Pine had. After all, we are spending here only $250. We can give some other Indian in the band an education, but really $250 is neither here nor there. Obviously, this man has some contribution to make but we are tied with red tape. According to this document, the red tape will be extended.

The minister might be wise to disavow this document, but we have no objection to its

being tabled because it is fairly representative of the opinion of the planning directorate. I think that before making a new code for the Indians we should put our own house in order, and this document gives us some basis for so doing.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I will answer the hon. member concerning this problem—

[*English*]

Mr. Howard (Skeena): Mr. Speaker, may I point out that the minister really does not have this particular right.

Mr. Deputy Speaker: I was just going to confirm that. The minister has spoken and he cannot speak again.

Mr. Chrétien: On a point of order, Mr. Speaker, although I have spoken an argument has been raised to which I think I should be entitled to reply.

Mr. Howard (Skeena): Mr. Speaker, I would be glad to suggest that the house give unanimous consent to the minister to make these comments, because of their value and the importance of the subject.

Mr. Chrétien: Mr. Speaker, I do not want unanimous consent for something to which I am entitled.

Mr. Deputy Speaker: There is some confusion whether this debate has or has not expired. If it has expired, then my impression is that the minister can close the debate, speak for five minutes or some limited time. My impression is that the debate has expired, unless other hon. members wish to speak? Then, I recognize the Minister of Indian Affairs and Northern Development.

Mr. Chrétien: Mr. Speaker, do I only have five minutes to speak?

Mr. Lewis: We will extend it to you.

[*Translation*]

Mr. Chrétien: I would like to deal with this matter of the Garden River reserve. In my opinion, the hon. member for Timiskaming (Mr. Peters) completely missed the point. It was a question of deciding whether we could legally recognize the election of a sixth councillor in the Garden River reserve. According to the official, it was not a matter of discretion. There had been an error, and it was provided in the act that on a reserve, there can be one delegate for every 100 people. Now, on election day, there were not 600 Indians on that reserve. Therefore the official had no right whatever to do anything but to void the election.

• (5:50 p.m.)

I know it is ridiculous that this mistake should have happened. We have made the appropriate remarks to the official concerned; everyone knows it is fairly easy to count to 603 or 575. Such a mistake is ridiculous but it has been made. In fact, there were not enough Indians on the reserves to allow for the election of more than five representatives.

We have asked the Department of Justice for advice, and we have been assured that by an order in council we could confirm the election of six councillors instead of holding another election. I thought it best to settle things this way.

However, I cannot, as a minister of the Crown, go beyond what I am authorized to do by the law, and then the law did not give me the authority to validate the election of the six delegates.

That is why I had an order in council passed. Today I wonder how come, after I have straightened things out, the hon. member blames me for having done so. If I had not settled the situation, he would have blamed me for having done nothing.

I would ask the hon. member to tell me if he wanted five or six Indians on the reserve to be elected. If he does not know what is the exact situation, he should have asked for information before making representations in the House of Commons.

As far as the document is concerned, I do not have to reject or accept it. I repeat my point which is quite simple. Hundreds of documents full of suggestions are prepared in all departments to enable the minister to formulate a policy.

The documents themselves are not very important. What is important for the Indian people, as well as for the house, is to know the minister's policy. And I receive advice and recommendations of all kinds and from all sides.

Like all ministers, there comes a time when I have to take a decision. However, it would be impossible, in my opinion, to table all the documents prepared by our officials; first of all, the house would not be large enough to hold them and, moreover, that would involve a waste of time for everyone.

Each official has his own responsibilities and, if he gets an idea, it is his duty to refer it to us, if he thinks it is of some value. As administrators, we have the responsibility of determining the value of an idea.

In addition, I believe that unless we can assure our officials that their suggestions shall remain confidential and also that there is no risk of a public debate following whatever proposals they dare make to the government we cannot expect a sound administration.

I recognize that the ministers' actions and the government's policy must be discussed in the house. However, the documents that paved the way to such policy should not be debated in the open.

Getting back to what I said earlier, I have nothing to hide about what is in that document. Eventually our policy on the administration of the bands and the reserves will become known. A while ago, I told the hon. member for Skeena that we intend to allow the Indian people to participate to a larger extent in the administration of their own affairs, since, in many cases, they are both well informed and determined to make their decisions by themselves, and we shall devise the necessary policies to concretize our aims.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Skeena.

Mr. Howard (Skeena): Mr. Speaker, if you had risen earlier I should have presumed that it was to ask whether the minister had unanimous consent of the house to carry on with his remarks. I should have been happy to accede to any request by the minister to continue, since I do not think he should be saddled with any five minute time limit.

The minister has said on two or three occasions that it is not possible or advisable to produce all documents prepared in the Indian affairs branch. But he misses the point. We are not asking for all documents. We are asking for one specific document which has been drawn to the minister's attention but which he has not yet read. We are asking for a document, and this is an important point, that has been distributed to a number of native Indian people by persons working in the department. A number of Indian people have therefore looked on the document as a document with some official status. Indeed, the minister gave credence to that belief by saying he could not produce the document because it was confidential.

When I asked the minister if he disowned the document, he retorted, "How can you disown something you know nothing about?". He did not disown it; neither did he adopt it. He said he would take from it what was good and reject what was bad. Of course, the minister will interpret what is good. If his interpretation coincides with the interpretation of our native Indian people, well and good; I will agree with him. Otherwise, I will not.

We have a document which the minister refuses to reject and refuses to adopt. This document has already been circulated amongst our Indian people. They consider it has some stamp of approval. In the short time the minister has occupied his portfolio he has learned no doubt the degree to which our native Indian people distrust the department which, in the years it has existed, has done practically nothing to dispel that distrust. Over the years it has acted in an autocratic, overbearing, paternalistic and stupid way when dealing with Indian affairs. If the minister maintains his attitude that the document in question is secret after a number of native Indian people have seen it and have concluded that it enjoys some official status, he will be doing himself a disservice, to say nothing of the disservice done to our native Indian people. Surely when this motion for the production of papers appeared on the order paper appropriate officials in the minister's department ought to have drawn the document to the minister's attention and told him what was in it. That did not happen and reflects on some officials. No doubt someone in the minister's department said, "We cannot disclose this document. It is marked 'confidential'." Perhaps the person who marked it confidential is the same person who told the minister the document could not be disclosed. The minister, apparently without question, accepted the opinion of some official in the department that a certain document was confidential. He did not bother to look at the document.

May I call it six o'clock, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The hour for consideration of private members business having expired, I do now leave the chair until eight o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) for the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-150, 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, the Customs Tariff and the National Defence Act.

Mr. Eldon M. Woolliams (Calgary North): At five o'clock I was discussing the definition of health in relation to the amendment on abortion. I said the special committee, under the chairmanship of Dr. Harley, studied many briefs relating to abortion, but were unable to agree to any definition of health.

It is my personal opinion the moment you define words you get into many abstract judicial interpretations of what the legislators meant, while on the other hand the failure to define health forces the high courts, the Courts of Appeal, and the Supreme Court of Canada to legislate. They must, in their capacity and responsibility, arrive at a definition. What is their reaction to this kind of legislation?

Mr. Nielsen: Perhaps you should wait until the minister is present.

Mr. Woolliams: Oh well, he's been pretty good today.

All of these matters must be studied by the committee. Under the said section, causing the death of a child that has not become a human being in the act of birth is not illegal if the doctor causing the death considers it necessary, providing the operation was performed in good faith to preserve the life of the mother. The onus is on the crown to prove the operation was not done in good faith. This is called the Bourne principle. Allowing the medical practitioner to exercise his own judgment in the act of birth is an act separate and apart from the amendment. If, however, the pregnancy is to be terminated prior to the act of birth, the matter indeed becomes very complex.

I would like to pause here for a few moments. There has been an addition to section 209, and this is what makes it so horrible and is something I think the committee will have to consider very carefully. I have been most serious all the way through this, but I could not be more serious when I refer to this. The old rule said:

> Every one who causes the death of any child that has not become a human being, in such a manner that, if the child were a human being, he would be guilty of murder, is guilty of an indictable offence—

What has the minister done by adding the words "in the act of birth"? Under the old rule if a doctor came to the conclusion in good faith that the life of the mother would be impaired and without the operation she would become a mental and physical wreck, then he could proceed to operate. For the moment I am dealing only with the addition of the words "in the act of birth". These words are dealt with by Professor Mewett in the Criminal Law Quarterly, Volume 10, 1967-68 at page 385 which I suggest every hon. member should read. I will not quote the article but will explain the meaning.

A doctor could wait until a woman was in labour before taking the life of a child to save the life of the mother or to prevent her physical or mental wreckage, without regard to the new amendment and without ever having a committee or certificate. That is not my interpretation, it is what the professor says. That is the law. If there is any question of this, then analyse it. When does a person become a human being under the Criminal Code? Section 195 reads:

> (1) A child becomes a human being within the meaning of this act when it has completely proceeded, in a living state, from the body of its mother whether or not
>
> (a) it has breathed,
>
> (b) it has an independent circulation, or
>
> (c) the navel string is severed.

That is the legal definition and I leave it at that. I ask in all seriousness that the committee divide its report into separate subjects. We are not dealing with the price of grain or the loss of a market, we are dealing with the beginning of human life.

Mr. Nielsen: And the end of it.

Mr. Woolliams: As the hon. member said, "And the end of it". This is the reason I am so serious. I have pleaded many cases and have never been more serious than I now am. I want to know on what I am voting because this is a very important subject to the faith

and conscience of the men and women of this nation. I know the committee may clear up this matter but it could be easily smoothed over. It is easy to make a great speech, or half of one, regarding murder on the highways. I do not intend to deliver the other half.

The Bourne principle allows a medical practitioner to exercise his own judgment in the act of birth. If, however, the pregnancy has to be terminated the matter becomes very complex.

I repeat that this new amendment does not seem to carry the law as it is being practised a step further. There are those who will maintain that a woman's body is her own. There are those who will maintain that the law will leave entirely untouched the problem of an unmarried pregnant woman, the victim of rape, or the respectable married woman who does not want a child. I believe the law remains the same in that regard. I trust the committee will inform us if my view is correct. One writer said if that is all the law really does, a pregnant woman would be well advised to wait until the onset of labour, then have the child disposed of under section 209 without the rigamarole provided for in the new amendment involving the meeting of a committee, approval, the certificate, plus the operation.

• (8:10 p.m.)

Now I turn to a new subject, the section dealing with homosexuality. The new clause 149A, refers to acts which are categorized as acts in private between husband and wife or consenting 21 year old adults. It does not say 21 year old adults; it says 21 year old persons. Are these adults at 21 years? In brief the new section appears to legalize homosexuality under two conditions. They are that the acts take place between a husband and his wife or any two persons, whatever their sex may be, over the age of 21 years. The committee may want to ask these questions.

The marriage licence permits two persons to commit acts which, if they were not married, they could not commit until they were 21. If the act is committed between two people, and one is 20 and the other one 21, does that make it only more immoral or does it make it morally right? The committee may want to ask, why is it legal in the criminal sense for two persons over the age of 21 to commit an act in private while one person under 21, married, but not to the other person commits the act in private and becomes guilty of criminal offence? The question might be asked, does the marriage licence, by itself, legalize in the criminal sense these acts? Well, under the Code it does. The question of moral law is for the committee to decide. The reason my speech is taking so long, Mr. Speaker, is that these things must be analysed.

In an historical sense, since 1631 when the Earl of Castlehaven was executed for the rape of his wife and sodomy with his servants, we have come a long way in these matters. In 1954 in the United Kingdom a special departmental committee, under the chairmanship of Sir John Wolfenden, was appointed to consider the problem of homosexual offences. In its public report in 1957 the committee recommended that private homosexual acts between consenting adults should no longer be a criminal offence. In 1960 the British House of Commons approved the recommendation 213 to 99.

I would like now to quote from an article entitled "Law and Morals" by Norman St. John-Stevas, in the Twentieth Century Encyclopedia of Catholicism. It is rather lengthy but it deals with this subject in a very broad manner.

United States law on homosexual offences was greatly influenced by English law, and homosexual acts between males are punished in all the states. The type of acts punished, however, and the punishment laid down, varies from state to state.

In Canada, the punishment varies from province to province, because although the law is uniform, the sentences vary from judge to judge.

Penalties may be as low as one year's imprisonment with a maximum of three, as in Virginia; or as high as a maximum of seven years, as in Rhode Island; or a maximum of sixty years, as in North Carolina. Some states distinguish between different types of offences, and penalties are graded according to which offence is committed and whether there are aggravating circumstances. No comprehensive figures are available on law enforcement but in some states certainly the law appears to be only spasmodically enforced. In New York City for example, in 1948 there were only 146 arrests for sodomy and in 1949 the figure was 112. From 1950 to 1954 only 89 sodomy cases were reported in the United States of which 27 were in California, nine in Texas and five in New York. Nearly all the cases involved some public element.

In England figures for prosecutions and convictions have been made available through the Wolfenden report, which show that the English laws are not dead letters. Indictible cases rose from 390 in 1931 to 2,504 in 1955. For the three years ending in March 1956, 300 adult offenders were convicted for offences committed in private with consenting adults. Homosexual conduct between

women is not punished in England, and although it may be theoretically in America, it is so rare as to be negligible in practice.

The Catholic and traditional Christian attitude to homosexuality was developed at a time when there was little knowledge of either the extent or causes of homosexuality, and today these approaches need to be modified in the light of new knowledge. Homosexuality is now known to be much more widespread than was thought in the past, as the researches of Dr. Kinsey and others have shown. In the first of the Kinsey reports, published in 1948, on the American male, Dr. Kinsey used case histories of 12,000 men. He concluded—

And this is rather startling,

—that 37 per cent of the male population of the United States had had some homosexual experience between the beginning of adolescence and old age. For males who had remained single until the age of 35, the figure rose to 50 per cent. Of the male population 25 per cent had more than incidental homosexual experience or reactions for at least three years between the ages of 16 and 55. Of the males 8 per cent were exclusively homosexual for at least three years within these age limits, and 4 per cent of the white males were exclusively homosexual throughout their lives after the onset of adolescence. Dr. Kinsey and his assistants found these results startling, but when they were checked they yielded the same result. An aberration is not, of course, right because it exists, as Kinsey at times assumes, but the figures do indicate that homosexuality is not a problem confined to a tiny group of perverts but one of much wider social significance.

What are the causes of homosexuality? Medical evidence and opinion can supply no agreed answer, but it is widely accepted that apart from perverts who have turned to homosexual practices entirely of their own free will, there are inverts, who form the majority, whose psycho-sexual impulses are directed more or less exclusively towards persons of the same sex. Traditional Christian thought has been ignorant of this state of inversion and has tended to regard the whole problem as one of perversion without extenuating circumstances.

The writer goes on and points out that the law on homosexuality has never really been enforced. He points out that where it is enforced, the majority of the people convicted are not the type of people who should be put in jail. He points out that there is nothing to show they will be rehabilitated if they are put in jail. Even the churches go along with that view.

Many people who have considered the subject conclude that our common law does not effectively distinguish between sin, which is a matter of private morals, and crime, which is an offence against the state having anti-social consequences. However, many of us who have practised before the bar of justice, and others in many fields, know that punishment has been imposed on a small minority of offenders in Canada and sometimes on those who least deserved to be imprisoned.

Our standing committee must reach the conclusion in the light of scientific, psychiatric, psychological research and knowledge that imprisonment is largely ineffectual to reorient those with homosexual tendencies. I would ask the committee to consider this question: If a law is ignored, if a law is unenforceable, if it is indeed unjust, is that not grounds to make the change even though we may abhor legal permissiveness? These acts are accepted in Canada de facto today if not de jure. Does this section solve the problem? It might. That is for the committee to decide.

I now turn to the question of lotteries. Coming from Calgary, where Mrs. Mary English has dedicated her life to the support of legalized lotteries to be used for medical research and charitable enterprises, and where she has gathered 500,000 signatures and claims that she journeyed from coast to coast to obtain these on a shoe-string budget of $1,000, I would hope that the committee would take a very liberal viewpoint—and of course I mean with a small "l"—on the suggested changes. I think that the Minister of Justice (Mr. Turner) in drafting these sections of the bill has walked a very tight rope, in fact razor-edged.

The minister has endeavoured not to offend those who consider lotteries as gambling, even when the funds go to support churches and social welfare enterprises, and those who accept lotteries as good, moral, legal sport. The strongest argument that Mrs. English puts forward is, and these are her statistics:

—the Irish Sweepstake draws about $100,000,000 each year and only $6,000,000 returns. That means $94,000,000 benefits another country.

Some hon. Members: Shame.

• (8:20 p.m.)

Mr. Woolliams: Why should we accept these facts? If we were to wake up some morning and read in the paper that John Jones, our neighbour, won a sweepstake, then was charged under the Code and put in jail, we know what a hue and cry would go up. So, this law is unenforceable. Do these new sections allow the Kinsmen or other fraternal organizations to run a raffle in order to raise funds to build a swimming pool for children? I doubt that; I do not know, but I do not think so.

Then there is the section on firearms. I would like now to briefly direct my attention

to the sections which would amend the Criminal Code with regard to offensive weapons. It is significant that the provisions in this bill differ substantially with the original proposals contained in Bill C-195, the original bill of the Prime Minister (Mr. Trudeau). This raises some very interesting questions. I suggest that the committee must give careful consideration to these.

We are faced with a basic conflict between the legitimate use and regulation of firearms. We must discern how we may best impose restrictions that will effectively limit their improper use. We have been lucky in Canada. We have not had situations like those in respect of the Kennedys and Martin Luther King. Sometimes these influences take a little longer to come to this country. In making these changes, I submit that we must be careful not to turn the responsible and legitimate gun enthusiast into a criminal. We must also ask why the so-called sawed-off rifles and shotguns have been removed from the prohibited category to be placed in the restricted or registerable category. We must ask whether it is prudent to permit the classification of weapons to be exclusively by orders of the Governor in Council. We must ask whether provisions should be included to stop the sale of war surplus weapons at the source rather than legislating restrictively after they reach the market. I am thinking particularly of the United States where at one time people were able to order machine guns from a catalogue.

We may be thankful that we are not forced into a situation of legislating by hysteria and yet me must not let this lull us into a feeling of complacent disregard. Before I move my amendment, I should like to thank the house for the time and patience accorded to me. I have been lengthy because this is a difficult subject to cover. We in this party have set out very clearly where we stand. We feel that these matters affect the conscience of every member of parliament and believe that there should be a free vote. I should like to assure the minister that our criticisms have been offered in the spirit of a sincere and judicious desire to improve upon the criminal legislation of this country. I would furthermore like to express my appreciation to the minister for his efforts in this regard. We do appreciate the difficulties that are inherent in this type of legislation due to the unique multi-religious, racial and linguistic structure of Canada. Nevertheless, we also trust that the minister and indeed all members will take heed and accord due consideration to the manifold problems which have yet to be resolved in this particularly viable area of concern to every Canadian.

[Mr. Woolliams.]

I shall now move my amendment. I ask:

That the said motion be amended by adding after the words National Defence Act the following: And the said Standing Committee be instructed to make and bring into the house four separate reports in relation to the following matters contained in the bill,

All clauses:

(A) referring to abortion

(B) referring to homosexuality and gross indecency;

(C) referring to lotteries and gambling; and

(D) all the remaining clauses of the bill.

I have copies of this amendment in French and in English.

You will note, Mr. Speaker, in making the decision in this regard, that you will be breaking new ground. This precedent you establish tonight, Mr. Speaker, will either confine us in a small room under the new rules or permit us to be somewhat expansive. The motion says that we will have second reading and then the bill will go to the committee. We are only saying that surely parliament is paramount over the committees; that we stay here in the House of Commons and that the committees are creatures of parliament. I hope this amendment will receive support from other parties because they may feel the same as we do about the matter so far as it affects the conscience of all Canadians. We only ask that we have an opportunity, with four distinct reports, to express ourselves. We are all different. We all come through a different religious door. We all came up through a different kind of family. Some of us in this House of Commons have adopted children. Some of us feel very deeply about some of the clauses in the bill.

When we are considering a subject which affects the conscience of all of us, surely we should have the privilege of testing it here in parliament. It may be, from what the minister said, that the government has made up its mind and will vote us down; but we want the opportunity of at least being voted down. I ask you, Mr. Speaker, to give this matter the fullest consideration. I plead with you. I realize I am breaking new ground. I do not do this lightly. I do it having regard to the feelings in our communities and the pressures from the groups in our communities.

I ask you tonight, Mr. Speaker, if there is any doubt in your mind, to consider this and weigh it with the legal officers who have served the House of Commons well. Do not

brush it aside because it is too great a problem. We may not in our lifetime here, or in the lifetime of future members of parliament, again deal with such important matters that affect the conscience. Give us an opportunity to express ourselves on the separate items. I would hate to think that because I felt deeply about one section of the bill I would have to vote against reform that must come.

I realize that in the heat of debate some of us say this, that and the other, but I believe I have always respected the Chair. So, with the greatest respect, I say that great judges make great law because they have the creative capacity to have the vision to see social needs. We only need think of Oliver Wendell Holmes to realize that great judges, great lawyers and great thinkers cut and carve new ideas and establish new precedents because they interpret conditions in broadest sense in the light of great changes. I have made the greatest plea to you I can possibly make as a member of parliament. If it is the will of parliament to vote down this amendment, I will accept parliament's will with grace. If the amendment should be set aside because it is out of order under the new rules I believe I will feel—and I say this with the greatest respect, Mr. Speaker—that I have been denied my time in court.

• (8:30 p.m.)

Mr. Speaker: Order, please. Before the Chair is called upon to make a ruling on the point of order which has been raised by the amendment proposed by the hon. member for Calgary North (Mr. Woolliams), I wonder whether hon. members would like to make suggestions and refer to authorities and citations for the guidance of the Chair.

Mr. Turner (Ottawa-Carleton): I should like to do that with your permission, Your Honour. I would not like my submission to be interpreted by the hon. member for Calgary North (Mr. Woolliams) as an attempt to deny him his day in court. As a matter of fact, when I listened to his speech it reminded me of Louis Nizer's "My Life in Court". Certainly he has had his day and evening in court.

The hon. member for Calgary North was right in one essential respect, that we are breaking new ground. We have to refer to the rules as amended, standing order 74, paragraphs (1) and (2) which state:

(1) Every public bill shall be read twice and referred to a committee before any amendment may be made thereto.

(2) Unless otherwise ordered, in giving a bill a second reading, the same shall be referred to a standing committee, but a bill may be referred to a special or a joint committee. A motion to refer a bill to a standing or a special committee shall be decided without amendment or debate.

There is little within the terms of this standing order to indicate whether in making a motion for reference it would be in order for the house to impose conditions on the manner in which the commtitee shall report back to the house. That, of course, is what the hon. member for Calgary North is attempting to do. He requires in the terms of his amendment that the standing committee be instructed to bring back into the house four separate reports; one referring to abortion, another to homosexuality and gross indecency, another referring to gambling and, according to his own omnibus motion, the other report would involve all the other clauses of the bill.

I submit to Your Honour that the reference to the committee under the main motion we are debating is not a question for any general discussion but relates to a particular bill. This is not a general question upon which the Committee on Justice and Legal Affairs is instructed to report from time to time, or to examine a general area such as electronic eavesdropping or wiretapping, but concerns the examination of a specific bill. What has been referred to the committee under the main motion is the bill itself.

That motion gives the committee the discretion, the ability and the capacity to analyze the bill clause by clause—all 120 of them. It gives the standing committee the opportunity of moving amendments to that bill, clause by clause, provided the amendments are relevant to the bill and within the general ambit of the overall amendments to the Criminal Code and the penal law.

The purpose stated by the hon. member in moving his amendment is to enable the house to declare itself severally on the four different aspects of the bill into which he would divide it. The very essence of the committee consideration relates not just to those four aspects, but to the bill itself and to every clause in it. Any amendment that is relevant to any of those clauses; any amendment that human ingenuity could devise that is relevant, may be decided upon by this committee during its clause by clause consideration of the bill.

What is more, under the rule as amended, standing order 75(5), when the committee report is brought back into the house, it is

open to any member, not just a member of the committee as I read the rules, after having given Your Honour 24 hours notice, to move any amendment relating to the general scope and ambit of the Criminal Code and related statutes as contained in this omnibus bill. So, the argument of the hon. member that unless you accept this amendment as admissible the members of this House of Commons are not going to be given the opportunity to express an opinion upon any individual clause just does not make sense.

Under the standing rules as they are now amended, both in the committee and particularly at the report stage, no member is denied the right to speak or vote on any particular clause of the bill. On this basis I would urge you, Mr. Speaker, to rule the amendment inadmissible as being redundant.

I think it is appropriate at this stage to recall the well-established principles applicable to second reading and which I submit have not been changed by the recent amendment to standing order 74. It is open to me to argue that these citations which used to apply to the old standing order 77 now apply to the new standing order 74.

According to Beauchesne's citation 381 and following there are only two types of amendments that can be made at this stage of our proceedings. One is a dilatory amendment; the hoist for six months, and the other, is what is called a reasoned amendment where the principle of the bill and only the principle may be opposed by way of a negative proposition.

I think the citations following 381 make it clear that amendments on second reading should not attempt to do what can be done directly in the committee. In other words, my second ground for opposing the admissibility of this amendment is that it anticipates the action of the committee and impinges upon its discretion. It should not be admitted by Your Honour for that reason.

I want to urge a third reason. I respectfully submit to Your Honour that you should not admit this motion for consideration in this house on this third ground as well. If we are to admit this type of amendment where would we stop? How finely could a committee divide its report on an individual statute no matter how complicated? How finely could we divide it? The hon. member suggests that we divide it into four parts, abortion, homosexuality, gross indecency and so on. If his principle were accepted, who is to say that we should not divide it even more finely? Who is to say we could not deal with the gun law separately? Who is to say we should not separate that portion of the bill in relation to the Solicitor General—paroles, penitentiaries and reformatories? Who is to say we should not consider separately that part under the Minister of Consumer and Corporate Affairs (Mr. Basford)?

I am suggesting that this principle, taken to an extreme, would reduce the procedures of the House of Commons to absolute absurdity. I cannot find the exact citation of Beauchesne, but I do recall having read that it is the government's prerogative to introduce a bill based on the policy it intends to implement. It is the government's prerogative to present to parliament a piece of legislation, grouping together the parts of that legislation it deems consistent and ready for parliamentary scrutiny. It is within the constitutional jurisdiction of government, having regard to usage and the general practice, to enact distinct statutes for distinct branches of law. What my hon. friend from Calgary is attempting to do is suggest that the constitutional discretion of the government ought to be interfered with by reaching beyond parliament into the committee and dividing the bill.

I have another reason for opposing the admissability of the amendment, Your Honour. I want to submit to you that this is an indirect attempt to try to do what cannot be done directly, namely, to divide the bill at the second reading stage. On a motion for second reading, the motions the Opposition may propose are now clearly defined, and so far as I can see they do not include the right to divide the bill. The amendment can be dilatory or it can be reasoned, and reasoned amendments must not be concerned in detail with the provisions of the bill. They must attack the principle of the bill. But the amendment introduced by the hon. member for Calgary North (Mr. Woolliams) reaches into the very details of the bill.

• (8:40 p.m.)

I want to say also that since there is no motion for a resolution before you, in my humble respect, and since the hon. member in his arguments is trying to get by the back door what he could not get by the front door, Your Honour should not feel himself bound by any precedent involving a motion to divide a resolution. I do not think the 1964 decision by Speaker Macnaughton on the flag resolution has any bearing here because second reading of a bill is distinct from the division of a resolution, particularly when the

grounds for that division were, in the opinion of the speaker, two mutually exclusive clauses.

Surely there is no mutual exclusiveness in the clauses of a bill put together by the government, presented as one bill to the House of Commons and which stands together on the general reform of the penal and criminal law.

I submit to you that, relying on May's 17th edition, page 544, this type of motion to instruct a committee is not merely in the nature of an amendment but is rather a substantive motion, and being a substantive motion notice would be required according to the rules of the house.

I have one final word to say, sir, as to your own prerogative, if you would allow me to direct my attention briefly to that. It is my submission that since this is not a motion to divide but is an amendment directed to the committee, Your Honour's discretion is limited to admissability, only, that is whether the amendment as an amendment can be admitted to the house for a vote by the House of Commons. Your Honour's discretion does not go to the substantive decision as to whether the amendment should be tagged on to the bill. In other words, even if Your Honour were to decide—

Mr. Woolliams: May I ask the minister a question?

Mr. Turner (Ottawa-Carleton): In a moment. I should like to continue now if I may. Even if Your Honour were, in your good judgment, to decide that the amendment were admissable—and I have been arguing as strongly as I can against that point of view —your discretion is limited to the question of admissability only and not to the substantive question as to whether the amendment should be attached to the bill. In other words, it would be up to the house to vote upon it, even if it were admissable.

Mr. Erik Nielsen (Yukon): Mr. Speaker, after listening to the argument of the Minister of Justice (Mr. Turner) it seems quite obvious that members on the other side do not want to see a vote taken on the basis of each individual question that is raised in this bill. No one for a moment denies the desirability—which seemed to be the implication the Minister of Justice directed toward this side—of the bill going to the committee to be discussed there in the fullest possible sense clause by clause, and for the committee to advance amendments that it sees fit. What the amendment seeks to accomplish is to give to every member of this house the right to voice his opinion on matters that affect the individual conscience just as deeply as did the question of a flag and as did other debates in those days which the minister can well recollect. The minister tried to distinguish between this amendment and the flag question, but that is a precedent which Your Honour is going to find extremely difficult to circumvent. I would submit to the Chair that on that occasion Mr. Speaker Macnaughton split a resolution right down the middle and caused the house to vote on two aspects of it. At that time, this was certainly not the desire of the government nor the intention of the bill which was introduced by the government.

The amendment of the hon. member for Calgary North (Mr. Woolliams) seeks to do one thing on an occasion which will not arise again in the proceedings on this bill, namely to give directions to a committee which, under the new rules, must consider the bill before it comes back to the house. The directions which the amendment of my friend seeks to give to the committee is that the committee, instead of bringing back an omnibus report on an omnibus bill, is to bring back to the house a report which will permit hon. members the freedom to vote on a portion of the bill. They would have freedom to vote on whether or not they wish to accept the government's views on homosexuality or on the other amendments contained in the bill. This is a freedom which I would like to exercise and which, I daresay, a good number of hon. members on the opposite side and in the rump on this side as well would like to exercise.

This is the only time at which we can make such an amendment. It is an extremely important decision which Your Honour has to make because if the amendment of my colleague is refused, then, in my view, an unduly restrictive interpretation of the new rules will be imposed upon us.

The Minister of Justice (Mr. Turner) has attempted to make a case to Your Honour based on the fact that the precedents established under old rule 77 apply here. But I do not see how we can extend these precedents particularly in view of standing order 74 (1) which reads as follows:

> Every public bill shall be read twice and referred to a committee before any amendment may be made thereto.

If one were to stop there, then one must conclude on the strict reading of that subsection, that there is no amendment possible at this stage and that the bill must be read a second time and immediately referred to the committee.

The Minister of Justice, however, did not go on to read the second subsection of that new rule which stipulates.

Unless otherwise ordered, in giving a bill a second reading, the same shall be referred to a standing committee—

Unless otherwise ordered!

I submit to Your Honour that those preliminary words permit the Chair to make an order qualifying the reference to the committee. The Minister of Justice attempted to make a case against the proposition that any possible amendment with respect to the reference is possible at this stage, but if Your Honour will refer to item 40 on today's order paper he will see that under the date of December 19, 1968, the following wording appears:

Second reading and reference to the Standing Committee on Justice and Legal Affairs—

Here we have an item placed on the government order paper which combines not only a motion for the second reading but also a motion for reference to the Standing Committee on Justice and Legal Affairs. This seems to be in keeping with the interpretation with standing order 74 (2) which I have read to Your Honour.

There might be some doubt left in that regard, and I might refer Your Honour to the proceedings which have taken place before in this session and which are reported in *Votes and Proceedings* for November 15, for example. I am sure that other instances could be selected at random from *Votes and Proceedings* of this session. At page 228 we find the following:

The Order being read for the second reading of Bill C-8, an Act to amend the Canada Elections Act (Qualifications of Voters and Candidates);

Mr. Stanbury, seconded by Mr. Borrie, moved—That the said bill be now read a second time.

And debate arising thereon;

Mr. Macdonald (Rosedale), seconded by Mr. Pepin, moved—

That the motion be amended by deleting therefrom all the words after the word "that" and substituting therefor the following:

That the said bill be not now read the second time but that the subject matter be referred to the standing committee on privileges and elections.

[Mr. Nielsen.]

• (8:50 p.m.)

Mr. Lewis: What does that prove?

Mr. Nielsen: It proves there is power at this stage for an amendment to be put to the motion which purports to send a bill to a committee. An amendment is permissible in this regard, and if my submission with respect to 74 (2) of the new rules is acceptable, the motion is subject to variation.

The minister put forward the argument that the precedents attached to standing order 77 would restrict any amendment under the new standing order 74, to giving a bill a six month hoist and to negativing the principle. Speaking for this side of the house my hon. friend made it very clear that we are not moving an amendment to give the bill a six months hoist, or one that is designed to negative the principle. He was advancing an amendment which would give hon. members an opportunity to vote independently on those aspects of the bill which strike deeply at the consciences of all of us.

While the minister dealt at some length with the prerogative of the committee, I suggest that the overwhelming interest here is the prerogative of hon. members of this house and of the house itself. Surely, Your Honour, at this stage the house has direction over what it intends to ask a committee to consider. When I recall what the Minister of Justice had to say, I doubt very much whether he could have put forward that argument in all seriousness. He referred, for instance, to the responsibilities of the department in respect to the Penitentiary Act, the legislation controlling reformatories and the several other acts which are affected by this bill. But if his argument in that regard is acceptable, what is to prevent any minister introducing a bill which deals with the Department of Transport, the Department of National Health and Welfare and the Departments of Defence and Defence Production, and lumping them all together to be sent to the committee on estimates with an instruction that it should bring back a miscellaneous report on an omnibus government bill.

I believe there are many hon. members who are especially concerned about at least two of the principles in this bill. I, for one, would like to have the opportunity to exercise an isolated vote on these subjects because I have some strong views on each of them, as have other hon. members. I do not like to be compelled to vote yes or no on a measure which is all embracing without any opportunity to discriminate.

We are simply asking the Chair to accept an amendment which would set a very desirable precedent under the new rules by allowing the house to retain control over the manner in which measures are sent to committees and to retain the freedom of hon. members to vote on questions which come back from the committees after the subject matter has been referred.

Hon. Donald S. Macdonald (President of the Privy Council): It seems to me I can immediately assist the hon. member for Yukon (Mr. Nielsen) in his dilemma if all he is concerned about is the opportunity to vote separately on one or two of the questions which concern him and his hon. friends. I can do this by drawing his attention, as did my colleague the Minister of Justice (Mr. Turner), to the terms of standing order 75(5) which states:

> If, not later than 24 hours prior to the consideration of a report stage, written notice is given of any motion to amend, delete, insert or restore any clause in a bill, it shall be printed on the notice paper.

Paragraph eight of the same standing order says:

> When the order of the day for the consideration of a report stage is called, any amendment of which notice has been given in accordance with section (5) of this order shall be open to debate and amendment.

Any hon. member of the house, including the hon. member for the Yukon, therefore has an opportunity to move an amendment at the report stage to any one of the 120 clauses of this bill.

An hon. Member: Is a recorded vote taken?

Mr. Macdonald (Rosedale): Yes, a recorded vote with Mr. Speaker in the chair.

Mr. Lewis: And it does not split the bill in any way.

Mr. Macdonald (Rosedale): The point is that hon. members will have an opportunity to record their dissent and to suggest changes in the bill. If this is all hon. members opposite are asking for, their argument is met in one stroke by the change in the rules which was made on December 20.

Mr. Melvin McQuaid (Cardigan): May I be permitted to make one or two observations on the point of order? With all respect, it seems to me that both the Minister of Justice (Mr. Turner) and the leader of the house have misread the motion. They have based their arguments on the assumption that the motion asks that the bill be split. The motion does not ask for that at all. It simply asks that the standing committee be instructed to bring in four separate reports. We are not asking the committee to change the form of the bill, but to bring in reports upon which we can vote separately. One of those reports would refer to abortion. Those who wished to vote one way or another on this matter would have an opportunity to do so according to their consciences when that particular report was under consideration.

Mr. Speaker: I wish to thank hon. members who have taken part in the procedural debate, the hon. member for Yukon (Mr. Nielsen), the hon. member for Calgary North (Mr. Woolliams), the hon. member for Cardigan (Mr. McQuaid), and the hon. ministers who were good enough to enlighten the Chair on the important point of order raised this afternoon and this evening by the hon. member for Calgary North. The Chair particularly appreciates the consideration shown by the hon. member for Calgary Noth in giving early notice of his intended amendment. I am not sure whether this has helped his cause or not, but at any rate it provided an opportunity to study the main aspects of the interesting procedural point raised by the proposed amendment.

It is hardly necessary to remind hon. members that the Chair cannot rule on the merits of the hon. member's proposal as opposed to the method supported by the minister in the presentation of the bill. It is not for the Chair to determine whether it is proper or appropriate or politic for the government to present this legislation in the form of an omnibus bill. The only ruling which is within the competence of the Chair is whether the hon. member's amendment is procedurally correct and acceptable at this stage.

What we have to determine is whether it is possible under our rules to move an amendment at this stage which in effect is an instruction to a committee, and whether the effect of this amendment, if allowed, would constitute an instruction to divide or split the bill.

• (9:00 p.m.)

The hon. member for Calgary North argued at length this afternoon, and with great force, that hon. members should not be called upon to vote for or against a motion which contains two or more distinct propositions. The bill would then be divided in so many different motions so that the sense of the house could

be taken on each of the propositions individually.

The many aspects of the division of a complicated question were discussed and subsequently ruled on by Mr. Speaker Macnaughton during the flag debate. As pointed out a moment ago by the hon. member for Yukon, on that occasion Mr. Speaker did divide the complicated resolution which was then before the house for consideration. However, as hon. members know, and as was indicated, I believe, by the Minister of Justice in the course of his argument in support of his own point of view, what was before the house when Mr. Speaker Macnaughton reached his decision was not a straightforward motion for the reading of a bill but a complex motion. The purpose of the amendment was to divide a resolution; it was not an amendment to divide a bill. I am not forgetting the very important point raised by the hon. member for Cardigan in this regard and I will come to it in a moment.

There may, of course, be considerable justification for dividing a complicated question stated in a motion as distinct from a bill, because such a motion is essentially a one step proceeding with the Speaker in the chair. There is then no opportunity for the house to consider and to vote separately and individually on the propositions which constitute the proposed resolution.

Again, I repeat that the procedural position is entirely different in the case of a motion for the second reading of a bill. As I stated at the outset, a close scrutiny of precedents and authorities I suggest to hon. members in all humility, leads to the conclusion that a motion to divide a bill by way of an instruction to a committee cannot be entertained at this particular stage of the house proceedings.

In fact, standing order 74 (1) precludes such a motion. It reads as follows:

> Every public bill shall be read twice and referred to a committee before any amendment may be made thereto.

There are well accepted forms that can be used to amend not the bill itself but the motion for second reading of the bill. In particular, it is open to hon. members to move a reasoned amendment; that is, a resolution declaratory of some principle adverse to or differing from the principles, policy or provisions of the bill, or otherwise opposing the progress of the bill. The amendment proposed by the hon. member for Calgary North, as he has said himself, is not a reasoned amendment but an instruction to the committee to which the bill is to be referred.

[Mr. Speaker.]

On this point, I would like to refer hon. members to citation 222 of Beauchesne's fourth edition, which deals with the division of bills by instructions to a committee. The citation reads, in part:

> —the right theory is not that the instruction should be given whilst the bill is still in the possession of the house, but rather after it has come in the possession of the committee.

There is, of course, an opportunity to vote on individual propositions when the bill is considered in committee. I readily recognize the objection raised to this point by the hon. member for Yukon, the hon. member for Cardigan and the hon. member for Calgary North. It is not the same thing to vote on the individual propositions in committee as to vote against or for the individual propositions in the house itself.

However, what is much more significant is that under the new standing order the house itself—as distinct from the committee—is given an opportunity to debate, to amend, to oppose or to reject any particular clause of a bill. This is the point that has been made by the President of the Privy Council (Mr. Macdonald). This new procedure is made possible under the provisions of standing order 75. Thus, every proposition in a bill can be submitted to the house itself for the purpose of obtaining a direct and specific vote on any individual proposition. This decision is taken by the house as distinct from the committee, and it seems to me that in some measure this answers the objection raised by the hon. member for Yukon.

The hon. member for Calgary North has advanced the suggestion that the significance of second reading has been altered by the new rules, and he expounded this view in a very interesting way this afternoon. Although this is not clear from the rules themselves, I would think this is a fair interpretation of the new relevant standing orders. The vote on second reading is less a vote on the principle of the bill and more a decision of the house to send the bill on for further consideration at subsequent stages of proceedings. If this interpretation is correct, it seems it should now be even less difficult for hon. members to vote either for or against the main motion, since such vote would not constitute either approval of, or opposition to, the principle of the several propositions contained in the omnibus bill.

In view of the precedents, citations and rules by which the Chair is bound, I must therefore conclude that the hon. member's motion cannot be put to the house at this

time. In reaching this decision I am somewhat comforted, as I pointed out, by the fact that the new rules of the house will make it possible for hon. members to achieve, to some extent at least, a similar result by taking advantage of the report stage proceedings of the revised standing orders of the house.

I should say that I was to some extent disturbed by the suggestion of the hon. member for Calgary North that if an adverse ruling were made on the procedural acceptability of his amendment he would feel he would not have had his day in court. Even though he is an experienced solicitor, a member of the bar of excellent reputation and with wide experience in the country, I am sure that he must have had an occasion or so when he was not successful in court but felt that, even though he had not won the day, he had still had his day in court.

That comment is not part of my ruling, and perhaps I am overstepping the bounds of jurisdiction of the Chair. However, it does seem to me that the hon. member for Calgary North has today had a brilliant and most impressive day in this, the highest court in the land.

Mr. Nielsen: Mr. Speaker, there is one further point that was raised by the President of the Privy Council with which Your Honour did not deal, and that was concerning the matter of notice. For the clarification, particularly of members on this side, I was wondering whether you would deal with the question whether or not notice is required under standing order 75(4).

Mr. Speaker: I cannot, of course, rule *in abstracto*. The hon. member knows that he cannot ask the Chair to rule on a situation which is not before the house. He is asking the Chair to interpret the rules with regard to a situation which may happen later on if such notice were given. It seems to me, having read the rules, that it is clear enough what is required to bring the matter before the house at the report stage.

Mr. Nielsen: I was not asking Your Honour to rule on a hypothetical matter. The President of the Privy Council did raise the point and put it to the Chair, and I am wondering whether the Chair would rule on it.

Mr. Speaker: Perhaps the reason I did not rule on it was that I did not consider the argument relevant.

Mr. David Lewis (York South): Fortunately for hon. members, Mr. Speaker, I do not have unlimited time. Therefore I will try to confine my remarks to the 40 minutes which are allotted me; if I do not succeed it will not be for want of trying.

Before dealing with the substance of the bill, I want to say that my colleagues and I agree that it is proper for the bill to come before this house as one bill. We believe that the new procedure will enable every member who has any particularly strong feeling about any part of the bill to move the necessary amendment at the report stage, to get his views heard and to get those views voted on separately from anything else.

• (9:10 p.m.)

I also want to say, Mr. Speaker, that I listened with interest to the speech of the hon. member for Calgary North (Mr. Woolliams). The logic of his argument on abortion escaped me. He first stressed, as I will later show, that the amendments to the code do not really change the law in any basic sense. Then he spoke very eloquently about the need to give opportunity for expressions of conscience with respect to an amendment which brings in no change. Those words left me wondering, Mr. Speaker. I could not follow their meaning.

We welcome this measure as an important one. I emphasize that it is only a partial and rather inadequate revision of the Criminal Code and related statutes. We think these revisions of the Criminal Code should be on the statute books of Canada and are long overdue. I therefore do not propose, nor do any of my colleagues, to move any amendment to the bill at this stage. We shall try to improve the bill in the standing committee and, if necessary, at the report stage. But we want to take no step that will delay passage of this measure. We want even these inadequate revisions of the Criminal Code on the statute books of this country.

Although the Minister of Justice (Mr. Turner) defended the bill excellently and impressively, if I may say so, I submit that the claims he makes for it are very much exaggerated. The suggestion he and others have made that these revisions of the Criminal Code constitute a tremendously radical reform is a complete and utter exaggeration. In my view important social matters in this bill are treated with timidity or, to use a favourite word of the right hon. member for Prince Albert (Mr. Diefenbaker), pusillanimity. Certain matters are treated narrowly and inadequately; and this is 1969. Important provisions concerning the public law of this

country which ought to be included in this bill are not included. I know of no excuse why they should be delayed. Furthermore, I suggest to the Minister of Justice and to the Prime Minister (Mr. Trudeau) that many of the proposed amendments in the bill ought to have been included in the Criminal Code of Canada long ago. They were recommended by committees and commissions ten years or more ago. Therefore, the minister must forgive me if I cannot be as lyrical about this piece of legislation as he is.

Mr. Turner (Ottawa-Carleton): We are not on the same side.

Mr. Lewis: I underline that those responsible for this bill cannot claim to be flaming revolutionaries or radical reformers.

Mr. Knowles (Winnipeg North Centre): Just "catcher uppers".

Mr. Lewis: They are just "catcher uppers", as the hon. member for Winnipeg North Centre (Mr. Knowles) says. With the indulgence of hon. members, Mr. Speaker, I want to express some general propositions that, in my view, ought to govern public and criminal law in a modern society. I emphasize that in our present society people generally, and young people in particular, are impatient with hypocrisy and cant which are so often expressed in our law and more often seen in the application of our law. They demand, and I welcome that demand, that we show consistency in our democratic pretentions and that parliament show consistency in the kinds of laws it passes.

In our criminal law we ought to amend everything that is a relic of the past and not consistent with modern morality. We ought to amend every provision that does not fit the technological age in which we live. That, it seems to me, ought to be the major guide to the way we revise our Criminal Code.

Also, our law ought to be alive and dynamic. It ought to be responsive to emerging situations in society. At present it is not. We do not amend our Criminal Code as soon as circumstances in our society require that to be done. It takes years of study and argument before we take a slight step in the direction of amending the law, such as is represented by many sections of the present bill.

As a member of the bar, and I say these words with respect to our judiciary, our law does not develop sufficiently through any actions of our courts. That is to say, in our system judges are bound by what lawyers call by the frightful name of *stare decisis*. They are bound by precedent. That is, they are bound to apply the law as it was 40, 50 or 100 years ago. Every time I am in court and I hear counsel say, "I will now cite the law to Your Lordship and for the benefit of my learned friend,"—my learned friend being what lawyers call each other while hiding their daggers behind their backs—I can be sure that some dusty law will be referred to. When counsel says, "My Lord, may I recite a recent decision," you will find probably that the decision dates back to 1875, or 1850, or at the latest 1900. When a lawyer says in court, "I will now cite the leading case in this matter," it frequently happens that the leading case is 200 or 300 years old. Our habit of binding our courts by precedents of the past has made it difficult and almost impossible for our judges to interpret the law in a manner that will bring it to life and allow it to respond to the needs and developments in our society.

In trying to reform the criminal law we must remember that in 1969 we cannot define as a public crime certain actions which come within the ambit of personal conscience. We cannot define as criminal certain actions which, in another context, may be defined as sinful, or whatever other word one wishes to apply to them. When I studied the history of the law in my university days in England and here, I learned that much of our law developed during a period when society was governed by the church as well as the state. A good many of our laws can be traced to that historic fact. As society develops, and as the separation of church and state developed, the influence of the church in the formation of laws has become less and less. I urge that we do not term public crimes those actions which are matters for an individual's conscience. Behaviour which is governed in private by an individual's conscience ought not to be the subject of any provision in the criminal law.

Some hon. Members: Hear, hear.

Mr. Lewis: Confusion has arisen because of confusion in the use of words. At some point in his speech the hon. member for Calgary North said that a certain amendment—I forget which one—would legalize something. That was sheer semantic nonsense. The amendment to the section dealing with abortion does not legalize anything, the amendment to the section dealing with homosexuality does not legalize anything. Nothing is legalized. All these sections do is remove the

taint of crime to certain actions which are merely personal matters to the persons concerned, actions which do not impinge on the public good or the rights of others because of the provisions in the law. These amendments do not legalize one thing. As I have said, they merely remove the taint of crime from certain behaviour, therefore making it permissible for people whose conscience permits them to behave that way, a way which was formerly prohibited. And it permits those whose conscience does not allow them to behave in this way to follow their conscience. This is all the law does.

• (9:20 p.m.)

Another principle, Mr. Speaker, which I think is relevant in 1969 and on which the bill is inadequate is that every psychological and psychiatric study has shown that penal institutions ought to be concerned with rehabilitation rather than punishment. The idea of punishment, vindictiveness and harshness toward human beings who have committed an offence against society is an old fashioned idea.

I submit to all my colleagues in this house and to all fellow citizens who are moved by deep religious feelings, that the ethics of all religions and all denominations the world over pleaded that we treat those who have fallen by the wayside humanely and compassionately and not with vindictiveness. Our criminal law ought to reflect this. This is the basic concept of Christian and Judaic and all other religions the world over. I always find it difficult to understand people who are sincere in their religion, but are not prepared to approach the public law in this way.

With your permission, Mr. Speaker, another principle I would like to mention is that there are very few absolutes in human behaviour. There are some moral absolutes, but very few. I can think of nothing that should more properly fall into the category of the absolute than the duty of the state to protect and preserve human life. I agree this is one of the most important and most pressing duties of the collectivity, but even that, Mr. Speaker, is not absolute.

There is no one in this house, regardless of his feelings toward abortion, birth control or anything else, who would deny a policeman the right to kill a criminal who threatens his life, or to make that a crime. No one wants to remove self-defence in the proper circumstances as a defence against a criminal charge. But more important still, even though the duty of the state is to protect and preserve human life, in certain circumstances we support war and send our young men to kill and be killed, not always even to defend our lives but to defend what may be basically less than our lives, although just as important. We send them to defend those values which we believe deserve defending with our lives. Thus, even the duty of the state to protect and preserve human life is not absolute. The state knowingly and deliberately sends people to kill and be killed for the preservation of those values which collectively the people of a region, country and the world are not prepared to sacrifice.

Another elementary principle we ought to bear in mind, and it is relevant to some of the amendments which have caused a great deal of discussion, is that no law is a good law if in fact it is unenforceable or if when enforceable, it is discriminatory.

The laws regarding abortion, homosexuality and many other offences under the present Criminal Code are in certain respects unenforceable. When they are enforced it is against those who cannot afford the best legal assistance.

The Minister of Justice referred to the fact that he and his advisers have been unable to locate Canadian jurisprudence dealing with abortion covered by the old law in which the medical question had been a factor. The reason is obvious, Mr. Speaker.

Mr. Turner (Ottawa-Carleton): The prosecution was not taken.

Mr. Lewis: The reason prosecution was not taken is that when a medical decision is made, usually it is in relation to people who can afford the funds to acquire the necessary medical assistance and legal advice when it is needed. Only those people are prosecuted who do not have the funds and find it necessary to resort to unethical medical practitioners or to quacks. It is only in those situations where you have prosecution and that is why the other situation could not be found. Therefore, any amendment which makes the law more enforceable and more equitable is an improvement in our law and should be welcomed by everyone.

Finally, there is one more principle I would like to mention. There is an educative value to the law. People think of the law as concerned only with coercion, with enforcement. However, the law also has an educational value. A good law which is in tune with the modern age, reflects modern developments,

expresses a good moral objective and serves an immensely useful purpose, has a psychological and educational effect on a community, and amendments which achieve this result are good for the law and for the country. Therefore, Mr. Speaker, I want to say that my colleagues and I welcome this bill, that is, so far as it goes. I am going to express on the part of some of us, objection to the short step which has been taken.

• (9:30 p.m.)

But together with my colleagues, and I am sure with other hon. members, I do want to see a public law in this country, and a criminal law as part of it, which is modern, humane, compassionate, responsive to the technological age in which we live, responsive to the fact that we no longer live in little rural communities but in huge urban conglomerations, responsive to the developments in psychology and psychiatry; a criminal law based on compassion and on the determination to give people a chance to rehabilitate themselves and be much less concerned with an eye for an eye, blood for blood, and life for life as being the major objectives of our law.

Now, in the time at my disposal tonight I want to turn to some specific matters which are in the law and some specific matters which are not in it. I want to deal with the most controversial matters first. I therefore come directly to the amendment to the abortion section. In my view, Mr. Speaker, the amendment does not go nearly far enough.

Some hon. Members: Hear, hear.

Mr. Lewis: In saying this I must in all honesty, as the leader of my colleagues in the house, inform the house that there may be one or two of our members who do not agree with what I have just stated. However, I am speaking for the party, for the caucus, for the overwhelming majority of my colleagues when I state this, and of course when I state it I want to emphasize that I have nothing but absolute respect for those who disagree with the position that I put forward.

I appreciate that the question is a matter of individual conscience and everyone must act by his conscience. It would be the height of presumption and cruelty not to respect that, but it would be the height of timidity and political expedience for me not to state fully and frankly the views which I hold.

I say first of all that the hon. member for Calgary North was right when he said that if the old section with regard to abortion is read together with an exactly similar law interpreted by the British courts, courts as high as the House of Lords in that country, then there is no addition to the present abortion law at all. All you have is the word "health" added to the word "life".

The hon. member for Calgary North proved to this house, in a way that makes it unnecessary for me to cite one of the things I have here with me, the fact that the interpretation of a similar section in the English law by the House of Lords—which undoubtedly would be followed by our courts here—meant that life encompassed health, a perfectly logical conclusion, and that therefore the change in this section of the Criminal Code dealing with abortion does not change the law at all.

But what distresses me even more, Mr. Speaker, is that the proposed change in the abortion law will not decrease illegal abortions by one single case. It will not have the slightest effect on the number of illegal abortions in this country. Because the old law made no change, and the new law makes no change in the old law, therefore the new law makes no change—it is a perfectly simple syllogism. I submit to you, Mr. Speaker, that the private bill introduced by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) is the only intelligent and modern way to deal with this question of abortion, and at the proper opportunity in the standing committee we will put it to the test of that committee. It is to remove from the Criminal Code any reference to abortion.

Some hon. Members: Hear, hear.

Mr. Lewis: Don't let anyone be shocked by this. The decision should be one which is made by the patient and the medical advice which the patient obtains. It is not a matter for lawyers to decide. It is not a matter for courts to interpret. It is not a matter for legalistic arguments about the meaning of words. I can almost hear the hon. member for Calgary North in court—he is obviously a very able counsel—interpreting health, as lawyers do, in one way and, in another situation where his case requires it interpreting it in another way. When you are dealing with the health and happiness of people in that context, there is no room for that kind of legalism and there is no need for that kind of legalism.

It may be necessary to have a law in the Criminal Code or elsewhere putting certain responsibilties on the members of the medical profession with respect to the advice which

they should give in this particular instance, although personally I am not anxious to have even that. But I submit to you it is perfectly reasonable, it is highly moral and in tune with the development of the social conscience to leave the question as to whether or not a pregnancy ought to be terminated to the woman and her medical advisers.

Some hon. Members: Hear, hear.

Mr. Lewis: I have often had occasion to disagree with members of the medical profession because of their attitudes, the attitudes of some of them I should say, with respect to medicare and the like. But I do not speak with tongue in cheek when I say to my fellow members who are doctors and physicians outside this chamber that I have complete confidence that all but the unethical members of that profession—and every profession has unethical members, mine as well as other professions—would be as careful about doing an abortion, or advising a woman to have an abortion, as any law on the statute books could require. The very training of the physician from the first day he goes into medical school is a training to preserve life, to improve life and not to do away with it. The attention which the physician gives to maintaining existence for a human being who has passed any capacity to act like a normal human being is evidence of the length to which members of the medical profession go to protect life, not to abandon it.

I am most anxious that with respect to this important measure in our social law there be a real amendment, a real change in our law, not the kind of change which the minister has proposed and that the Prime Minister (Mr. Trudeau) was originally responsible for, which makes no change in the law at all. It is not an act of radicalism or even liberalism, small "l". It is an act of timidity to avoid the tremendous political difficulties that might be in the way of presenting a more thorough amendment such as modern society requires.

There are social questions that enter into the matter as to whether or not a pregnancy should be terminated, as well as purely medical questions about the life and health of the patient. There are social questions surrounding the family, surrounding the woman. There are psychological questions involved in whether or not a pregnancy ought to be terminated. There are problems related to whether or not the child, when it is born, will be a whole child or a deformed child. The amendment does not even deal with that point. It does not make legal an abortion in a case when the physician is convinced the child would be a deformed child, with all the unhappiness and the misery that that creates not only for the child but for the environment and the family.

All these problems as well are involved in the very soul-searching question as to whether or not a pregnancy should be terminated. The minister does not touch on any of these questions in his amendment. He does not come near any of these questions by the amendment which has been proposed. I welcome the amendment because it clarifies the law a little. It makes it more certain that the health of the woman will be considered. I hope the courts will interpret health to mean the health of the mind and of the spirit as well as physical health. Therefore, I welcome the addition of that word, but it does not go anywhere near as far as in my view the amendment should have gone.

• (9:40 p.m.)

I want to deal briefly with the homosexuality changes which have caused a great deal of discussion. I know that to normal people this practice is an odious one, an unaesthetic one if you like; but to make it a crime in all cases is to be insensitive and cruel because this deviationism obviously is due to certain psychological and other factors. This behaviour requires charity and treatment rather than criminal prosecution. I find it very difficult to see how the change which is proposed in the bill can be seriously opposed except by those who would discard compassion and understanding toward people who suffer from tendencies we may consider unacceptable and undesirable but for which they obviously are by definition not responsible.

We support the amendment with respect to breathalizer tests. I am not personally worried about the intrusion into civil liberties and rights in this case because personal freedom is not absolute either. We constantly require the freedom of individuals and the freedom of their actions to be circumscribed to the extent, and only to the extent, that the public good requires it. The fact that someone may be inconvenienced on occasion is irrelevant and certainly unimportant in comparison with the fact brought out by the Minister of Justice with regard to slaughter on the highways. If this law should enable society collectively to save one life in the next year, let alone several hundred lives, it is worth while and we support it.

Some hon. Members: Hear, hear.

I should like to say a brief word about lotteries. I wish to say to hon. members that I have no moral objection to lotteries. I have no moral objection to gambling. I hope hon. members will believe me, although they may easily conclude that I am protesting too much. But I have never gambled. I am not interested. It just bores me.

Mr. Turner (Ottawa-Carleton): You are a member of the N.D.P.; you have to be a gambler.

Mr. Lewis: I am told that I ought to be a gambler because I am in the N.D.P. In that sense the hon. minister is right; but I am gambling on the basis of principles which I hope some day to persuade the hon. minister to see.

Mr. Turner (Ottawa-Carleton): That is a real long shot.

Mr. Lewis: It probably is. So long as it is a long shot we will continue to stand by our principles, something which I would recommend to other hon. members in this house.

I have no moral objection to lotteries or gambling. I do have objection to heads of families gambling at the expense of their families. That is a different question. But if people want to have lotteries I do not have any moral objection to them. I therefore welcome those changes which enable charitable and religious organizations to carry on lotteries for charitable and religious purposes. I see no objection to that at all. I do, however, have considerable objection to a change in the law which would make it possible for states to hold lotteries. I do not object to this on moral grounds but on the simple social ground that—and this is now a word which has been made parliamentary by the Prime Minister—this is a hell of a way to raise money for social purposes.

An hon. Member: What about Jean Drapeau?

Mr. Lewis: He tried it and failed. If we need funds for social welfare we ought to raise them directly from the people who have the funds. They should make funds available to society because they are the people, whether they are in the middle or high income groups, who have made their income, either in a profession, business or wherever, as a result of the collective effort of society. They ought to provide, through taxation, the funds necessary for social purposes. To me it is just simply unacceptable to have gambling or lotteries for that purpose. This would destroy every possibility of planning the economy. As I read this clause I could imagine the minister of finance—either the previous, present or future minister of finance—trying to determine what revenues will be available for social measures. He would consider the revenues he would take from taxes and then have to make some kind of guess concerning the amount of money that would come in from lotteries. He would try to balance his budget on the basis of lotteries. Seriously, it is for reasons of this kind that I object to state lotteries. Gambling is not the way to raise money for social purposes.

I am almost at the end of my time, but I hope the house will let me have a few minutes longer. If I may I should like to say a few words about the section dealing with insanity. I wish to say to the minister that the amendments he has brought in with regard to insanity deal in my opinion—I am not an expert in criminal law—with the least important part. They are very important and very necessary, but they do not deal with the most important section of the Code relating to this subject; that is section 16 itself. What is needed is an amendment to section 16 which defines insanity. That is what is needed. We need an amendment to the law which will get rid of the old outdated, hoary, untenable, no longer appropriate McNaghten rules by which our courts are governed. This just makes no sense at all in 1969. The minister has not amended that at all. He has not touched section 16. The courts are still able to apply completely inapplicable laws that are no longer in tune with the developments in psychology and psychiatry.

What the minister does give us, however, are very useful means of appealing, in certain circumstances and under certain rules, when the question of insanity arises. But I submit that it is much more important that we amend section 16, the definition of insanity itself. I recommend to him a private bill which was tabled during a previous parliament by my colleague, the hon. member for Greenwood (Mr. Brewin). In this bill he applied the rule adopted by the United States court of appeal 14 or 15 years ago.

Finally, I should like to say to the Minister of Justice that my colleagues and I greet with pleasure the amendments to the Combines Investigation Act dealing with fraudulent advertising. Let me emphasize that advertising in our modern society is not the kind of

thing it was even several decades ago when the Combines Investigation Act was first passed and these sections were first included in it. I do not remember the year.

Mr. Turner (Ottawa-Carleton): 1936.

Mr. Lewis: I knew it was several decades ago. Today advertising has become one of the major industries in society. It is the means by which people are persuaded to want what they get.

The Acting Speaker (Mr. Béchard): Order. I regret to interrupt the hon. member, but his time has expired.

Sone hon. Members: Carry on.

• (9:50 p.m.)

The Acting Speaker (Mr. Béchard): Does the house give unanimous consent for the hon. member to continue?

Some hon. Members: Continue.

Mr. Lewis: Thank you very much. I appreciate the kindness of hon. members. I was saying that advertising in our modern society does what Professor Gad Horowitz states in a chapter of a recent book. It makes certain that people want what they get instead of getting what they want.

Mr. Turner (Ottawa-Carleton): That is Galbraith.

Mr. Lewis: No, that is Horowitz, but since the minister wants Galbraith I will give this to him too. As Professor Galbraith pointed out, and this is why this is important and why I will have something unkind to say to the minister on the subject:

> It is part of the strategy by which firms minimize their subordination to the market; by which they take labour and capital supply, public policy and prices within their broad ambit of control.

He says that in our modern society the individual, instead of being sovereign in our economic system is, in large degree, the instrument of advertising. So that false advertising, fraudulent advertising and improper advertising ought to be prohibited in the strictest possible way. So far as the proposal by the minister is concerned, the strictness appears to me to be there, to the extent I have been able to study the words.

I have in my files a clipping of a statement made in some speech by the minister of consumer affairs and reported in the *Financial Post* of November 9, 1968. In this speech the minister underlined that he had very few people in his department able to enforce these provisions about false advertising; the amendment he has proposed to the Combines Investigation Act. If that is the case his law is not worth anything. No law, however good, which remains on the statute books without being enforced is worth the paper on which it is written. If this minister, the Minister of Consumer and Corporate Affairs (Mr. Basford) and the government as a whole are serious about stopping false and fraudulent advertising, and serious about protecting our society against the manipulations which the advertising industry performs on innocent people, they ought to provide the funds to the minister, or whatever other department may be available, to give them the staff to enforce the amendment which has been presented. Without that, this is a sham and nothing more.

If the minister has had difficulty in getting funds from the cabinet or the President of the Treasury Board (Mr. Drury), as far as my colleagues and I are concerned we hope that he fights as hard as he can to get the necessary staff to enforce the law which is contained in his bill on this point.

Mr. Turner (Ottawa-Carleton): That was in 1967, when I was the minister of consumer affairs.

Mr. Lewis: The minister says it was 1967.

I want to be finished by at least ten o'clock, so as not to take to extreme the kindness the house has shown me. I want to list several things that are not in the bill which make the bill much less useful than it ought to have been. I cannot for the life of me understand why the bill does not contain provisions for the right of an accused to counsel. This is contained in the charter for human rights which the Prime Minister presented to the constitutional conference a year ago. It is still there, therefore the government believes in it. It is obvious that this charter may take a long time to come into being. The gestation period has been a year already, and I think it will be one or two more years. This will not be done in months. In the meantime, why should the right to counsel not be written into the criminal law? There is no excuse for this. It is not too difficult a subject on which to draft an amendment to the Criminal Code. We should guarantee the right to counsel to every person who requires counsel. The absence of this right is what makes one law for the rich and one for the poor. It is the capacity to have the best legal advice which makes the difference in the application of the law.

For the life of me I can see no reason why an amendment dealing with electronic devices and the privacy of the individual should not be in this omnibus bill. There has been a great deal of writing about this and there have been recommendations by commissions. If I remember correctly, the hon. Mr. McRuer made a recommendation on this subject. It should not be beyond the ingenuity of even the junior members of the minister's staff to draft an appropriate amendment on this subject.

Why should it require more than one single line to remove the barbaric corporal punishment laws from the Criminal Code? Why should that have to wait until the future? All it would require is a few words, namely that section so and so be deleted. Why does that require years of study and thought? That ought to be in the amendments before us.

For a long time we have talked about expunging the criminal record which remains on the books against a person, in spite of the fact that for years he has led a clean, decent and social life. Why should this require years of study, and why does this bill not contain a simple amendment to expunge and put aside a criminal record after a period of time? I think it ought to be five years.

Why do we have to wait for months and years before we straighten out the shameful conditions in respect of bail in our criminal law courts? The hon. member for Calgary North dealt with this subject at great length. I have read at least two or three books and, God knows, a dozen or two dozen articles on this subject. It has been written upon to the point that there is nothing left to be said, although academics will still find something to say as they always do. This does not require any long study. There would be no difficulty in drafting something to deal with this subject.

The time urges me to conclude my remarks, and I will end the way I started. The bill before us has many good features. We will support it and we will facilitate its passage, but we feel it is far short of the kind of revision to the Criminal Code that should have been before us in view of the long gestation period which both the Prime Minister and the Minister of Justice have taken on this measure.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I rise on a point of order.

[Mr. Lewis.]

We, of the Ralliement Créditiste, agreed willingly to let the parliamentary leader of the New Democratic party, the hon. member for York South (Mr. Lewis), pursue his speech. We hope therefore the same co-operation will be granted us tomorrow.

Secondly, I would like Your Honour to ask the house for leave to prolong this debate. Since we sat yesterday until two o'clock in the morning, why not do likewise today?

[*English*]

The Acting Speaker (Mr. Béchard): Order, please. It being ten o'clock, it is my duty to proceed to the questions to be dealt with on the adjourment motion.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order No. 40 deemed to have been moved.

CANADIAN BROADCASTING CORPORATION—PROGRAM RESPECTING POLLUTION PROBLEM AT DUNNVILLE, ONTARIO

Mr. John Gilbert (Broadview): Mr. Speaker, a short time ago I asked the Minister of Energy, Mines and Resources (Mr. Greene) a supplementary question regarding a statement on the responsibility of the federal government concerning the pollution problem at Dunnville and the responsibility of the federal government to set federal standards on pollution control. This question followed questions to the Secretary of State (Mr. Pelletier) concerning the C.B.C. program "Air of Death" which was shown on channel 6 on October 22.

• (10:00 p.m.)

A portion of the film dealt with the health issue at Dunnville. The pollution problem at Dunnville arose as a result of the operations of two industrial plants, E.R.C.O., which is the Electrical Reduction Company Limited and the Sherbrooke Metallurgical Company Limited, both of which are involved in industrial processes and both of which were involved in the Dunnville pollution problem. As you probably know, Mr. Speaker, as a result of many complaints a three man committee was set up by the Ontario government to study the pollution problem at Dunnville. The committee made a report and made recommendations with regard to the basic problem of pollution to the Ontario government. I am going to read short excerpts from their

recommendations. At page 307 of the report they said:

> Since damage to animals, plants, and various materials has been caused by fluorides in the emissions from the ERCO plant at Port Maitland, it is essential that ERCO should install the necessary equipment and modify their operations to reduce dust emissions from the lagoons, and emissions from the curing sheds, to acceptable limits under full plant operation. The payment of even generous compensation is not a substitute for good operational control; compensation payments should be an emergency policy only.

I should point out that arbitration awards in 1965, 1966, and 1967 totalled $271,000 concerning livestock, field crops and horticulture in this area.

A further recommendation was that:

> The Sherbrooke Metallurgical Company should become acutely aware of their pollution problem and should study the advisability of increasing the height of their stacks by a factor of 2.

The third recommendation was that:

> Meaningful standards should be established by government for the permissive concentrations of various pollutants in the air, relative to the effects on human health, livestock, and plants. The standards should acknowledge differences between rural, semi-urban, and urban areas.

Another recommendation is that:

> Because of the high pathogenic bacteria count reported from several cisterns in the area, the use of such water for drinking purposes should be discouraged. If it is necessary to use such water for drinking, residents should be advised to clean their cisterns regularly and to use the appropriate amount of chlorine.

These are a few of the recommendations that were contained in the report with regard to the specific problem of pollution at Dunnville.

But the more basic recommendations to the government are contained on page 311 where they say:

> There were many facets to this *ad hoc* study—the chief ones being the effects of the pollutants on:
>
> (a) human beings: this facet was of critical concern. It revealed a potential human health problem and was especially significant to the medical and dental professions, the many specialists within those professions, and the Department of Health.

With regard to:

> —cereal, forage, vegetable and fruit crops: The damage and the potential damage of pollutants on such crops was of the utmost economic and agricultural concern.

Then they dealt with a recommendation concerning:

> —cattle, sheep, hogs, poultry, and bees: The rearing of livestock in a polluted area was of great individual and general agricultural concern.

They dealt with drinking water as follows:

> —drinking water: Whether drinking water comes from deep wells, shallow wells, cisterns or streams, it is a practical and important factor—

Lastly, they say that:

> Pollution is a natural and ingrained fact of life. Pollution control is yet in its infancy. We suggest that the government adopt an even greater sense of urgency in developing "anti-pollution" policies and in establishing the organization to implement them.

I bring this to the attention of the house, Mr. Speaker, because my experience as a member of the standing committee on national resources, and the testimony we heard when the estimates were before the committee recently, indicate to me that the Canadian government shows very little concern about this problem and is reluctant to exercise leadership in helping to overcome it.

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I believe all hon. members share the concern the hon. member for Broadview (Mr. Gilbert) has just expressed. It shows his good disposition and his care for the welfare of mankind, that should really concern government authorities.

But we should not forget for all that that we do not live in a unitarian country, but in a country where the distribution of jurisdictions takes place at the municipal, provincial and federal levels, and that the municipalities are provincial creatures. Therefore, the pollution problem in that particular municipality comes under provincial jurisdiction.

However, I do not mean by that that the Department of National Health and Welfare as well as the Department of Energy, Mines and Resources should ignore that serious problem, because air, like water, goes across frontiers without any passport, and is therefore a matter of national concern. The government is now trying, through research, to set up standards, to convince the provinces and to negotiate with them in order to establish throughout this country a standard policy as regards the serious problem of air and water pollution.

I do hope we will soon be able to enter into agreements with the provinces and, as a result, to establish legislation that will remove the serious dangers that have been revealed, especially in the municipality of Dunnville.

Proceedings on Adjournment Motion

[*English*]

BILINGUAL REQUIREMENTS FOR COMMISSIONAIRES AT MUSEUMS

Hon. W. G. Dinsdale (Brandon-Souris): I have raised this question on two successive days, Mr. Speaker. Yesterday, I asked the Secretary of State (Mr. Pelletier) whether he would review the dismissal of the 15 commissionaires from the national museums located in Ottawa. You will recall that these men were dismissed because they were unilingual. The only assurance which has been given us on this question is that new jobs will be found for them elsewhere.

I now discover that the government has no right to do this, because it is the responsibility of the Corps of Commissionaires to place these men in jobs. I have also found that some of these men have not been placed in new positions. Some have been demoted. I think this information is generally known to hon. members and to the public.

The most disconcerting aspect of this question is that it is hard to find anyone who will accept the blame. Everyone seems to be ashamed of what has been done. Actually, it should be the responsibility of the board of trustees which, since last April, has been in charge of museum affairs. The Chairman, Mr. Jean Ostiguy, recalls no such decision having been made by the board. There was no consultation with the Department of Veterans' Affairs with respect to the veterans' charter and veterans' preference as applicable to employment with the government of Canada. The minister has denied responsibility. The Secretary General of the National Museums, Mr. Charles MacKenzie, said he gave a directive to Mr. Wait who is in charge of the commissionaires in the Ottawa area. Now, there is a further development. Mr. MacKenzie said he received his instructions from the Clerk of the Privy Council, Mr. Gordon Robertson, in a communique last October which urged departmental heads to implement the terms of the official languages bill as soon as possible. Today, in the house, the Prime Minister (Mr. Trudeau) admits that he authorized the directive that was sent out by the Clerk of the Privy Council.

• (10:10 p.m.)

I raise the issue at this time because what has been done is patently unjust. When deputy ministers employed in the government of Canada are found linguistically deficient, they are sent on an expensive course at the taxpayers' expense. Some of these courses cost as much as $150,000. But when commissionaires are found linguistically deficient, they are removed from their positions.

All of these commissionaires are men with outstanding military service to their country. Clause 9 of the Official Languages Act bill merely states, to summarize it, that it is the duty of departments to provide services to the public in both languages in certain locations. I also further discovered that commissionaires are specifically forbidden to engage in conversation with the public except in emergencies; their duties are security and custodial only.

I think I can best present the core of this problem tonight by quoting part of a speech made by the Minister of Justice (Mr. Turner) to the Kiwanis Club in Ottawa recently. At that time he expressed the two sides of the problem of promoting bilingualism in the public service in Ottawa. He said that the program is designed to correct the injustices of the past, while avoiding the creation of new injustices.

I believe that an injustice has been done in this case. Further, I urge the government to review the whole matter and to see that these employees who have been dealt with unjustly are restored to their positions. As I say, today the Prime Minister further admitted to being the author of the directive that caused the whole unhappy process, and which incidentally was an infringement on all the rights of members of parliament because the Official Languages Act has not been dealt with by this house. It is not good enough to lay the blame on civil servants. I believe that the responsibility lies with the government, and the remedy is in their hands.

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, the hon. member for Brandon-Souris (Mr. Dinsdale) is to be congratulated on his interest in this subject. Many of us are aware of his constant watchdog approach to this topic. I have listened to his question. The minister answered him yesterday, and I can assure all hon. members that the question of bilingualism in our national museums is of utmost concern to the Secretary of State (Mr. Pelletier). He has never neglected or ignored this question.

I think that the Secretary of State has shown deep concern about the accusations that have been made. He has asked about reports that some commissionaires have lost benefits or even salary. In view of the statement of the Prime Minister today, I am sure

that he too is concerned about any unjust treatment to which these veterans are subjected. We have been assured that this matter will be investigated, and a further report to the house will be made in the near future.

POST OFFICE DEPARTMENT—NEGOTIATIONS RESPECTING FIVE DAY DELIVERY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question deals with the problem being encountered by the Postmaster General (Mr. Kierans) with reference to the implementation of the five-day week delivery. We have been told that there have been discussions on this important matter. I submit that if discussions have been held, then the message is obviously not getting through. Someone in the communications department is not communicating.

It is now clear that the minister's hopes of last fall have not been justified. The five-day delivery plan is not being accepted. It has been changed in its application, and now rural and urban Canadians are in two different categories. The plan was to cut down expenditure but not to cause anybody to lose his job. There is anxiety on this question. In addition to changing the scope of the plan the minister has had to change the date. Instead of February 1, we now hear it is to be February 17.

Yet there is great unrest. Obviously there is resistance from the employees affected, mostly those who work on the sortation process. Why these matters were not fully and carefully ironed out in the many weeks since the announcement was made is difficult to comprehend.

Previous to the last postal strike which disrupted this country there were signs and portents long before the event. The department showed no sign that it saw what was coming.

While it is agreeable to think big for the future, to dream dreams, to talk about the waves of the future and the ringing of telephones, under the sponsorship of the post office department, it is also prudent to look at some of the knotty problems of the present. The public is interested in knowing what is going on. Will employees work to rule? In today's Ottawa *Citizen*, Roger Decarie, council co-chairman and President of the Letter Carriers' Union of Canada, is reported to have said:

> There is no question of work-to-rule, . . . We're just keeping track of time.

The same article quotes the secretary-treasurer of that organization as saying that the requested action can be considered:

> —either work to contract or work-to-rule.

Farther down that same article says:

> Adding fuel to the controversy was a departmental memo to postmasters ordering them to remove from post office bulletin boards copies of the council bulletin sent out last week.

That is a very, very serious matter constituting a form of industrial action on the part of the post office.

Field representative Don J. Mowat of the Letter Carriers' Union of Canada said, as reported in the same article:

> At present our boys are in an all-out war with the postal department.

That is a very, very serious state of affairs. This morning's *Globe and Mail* had this to say:

> The move is not expected to have any effect on mail delivery but may result in postal employees working longer than their 40-hour week and, as a result, claiming overtime bonuses.

There is a danger that the five day delivery week may not be a cost saving project after all. I say to the minister, or his representative, before it is too late it should be pointed out to both sides in this controversy that the public is in no mood for any disruption, dislocation of retardation of mail service. There has been a constant stream of increased charges flowing from the post office. We have had increased charges for stamps, money orders, newspapers, and now rent on boxes is to be increased. Apparently the boxes produce for the Post Office Department revenues of $2.5 million. They cost the department $4.5 million in administration and maintenance, although I do not see how that figure is arrived at. Even the cost of postal box keys is to increase from 35 cents to 50 cents.

Mr. Dinsdale: That is Liberal inflation.

Mr. Macquarrie: In the midst of all this, there is a growing public complaint that although costs are going up and up service is slipping. One hears this too often for one to be complacent about our Post Office Department.

In the face of this, I think all concerned should take warning. If the minister has to backtrack on his plans for five day urban delivery, so be it. But let all concerned beware of making the public one again a victim of the dispute between the post office and its employees. The tolerance point of the public is low indeed.

Proceedings on Adjournment Motion

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have been asked by the Postmaster General (Mr. Kierans) to reply on his behalf to the question raised by the hon. member for Hillsborough. I regret that I can offer no substantial information at this time. Discussions are continuing, as they have been for two weeks, between senior officials of the Post Office Department and the Council of Postal Workers. These negotiations are concerned with the implementation of the five day week, which will come into effect on February 17 and with the institution of what is called single mail processing by which letter carriers will no longer be required to return to the post office in the afternoon for the purpose of sorting mail. In addition, the Minister has met with the leaders of the unions involved.

• (10:20 p.m.)

On the other point raised by the hon. member, namely that of the directive by the unions to their members to enact what he has termed, or some newspapers have termed, work-to-rule, I can say that according to available information no such attempt is being made. No action taken by postal workers has resulted in any delays to mail delivery and service, and the fact that this should be the situation is an indication of the sense of public responsibility of those employees.

A small number of postal workers in a limited number of areas have exercised what they consider their right to return to the post office for a wash-up at the end of their day's work. Such action has no effect upon mail service. The post office disputes the right of its employees to take such action, and I repeat it has been taken in only a few instances. This matter forms part of the continuing discussions between post office officials and union representatives, and will be decided early next month by an adjudicator appointed under the Public Service Staff Relations Act.

The Acting Speaker (Mr. Béchard): The motion to adjourn the house is now deemed to have been adopted. Accordingly, this house stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Friday, January 24, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PRIVILEGE

MR. MAJOR—PROTEST CONCERNING STATEMENT OF HON. MEMBER FOR SHEFFORD—OBSERVATIONS BY MR. SPEAKER ON PROCEDURE

Mr. Speaker: I received earlier today the following notice from the hon. member for Argenteuil (Mr. Major):

I hereby wish to advise you that, pursuant to standing order 17 (1) and (2), I should like to raise a question of privilege in the house, today, this 24th day of January 1969, at the eleven o'clock sitting.

I take this opportunity to point out to hon. members the provisions of standing order 17 and more specifically, subsection (2) of that order, the terms of which follow:

(2) Unless notice of motion has been given under Standing Order 42, any member proposing to raise a question of privilege other than one arising out of proceedings in the Chamber during the course of a sitting shall give to the Speaker a written statement of the question at least one hour prior to raising the question in the House.

The hon. member, as other hon. members in the past, merely gave notice to the Speaker that he wishes to raise a question of privilege and it seems to me that that interpretation of our standing orders is not quite accurate.

Not only must the hon. member advise the Speaker that he wishes to raise a question of privilege, but he must also reveal its nature. It seems to me the English version is perhaps more specific in that it stipulates as follows:

"—shall give to the Speaker a written statement of the question".

I think it would be preferable, in the future, for the hon. members who wish to raise a question of privilege, under the provisions of standing order 17, to not only advise the Speaker, within the time limit stipulated by the standing order, that they wish to raise a question of privilege, but also to give an indication of its subject matter.

Mr. Robert-B. Major (Argenteuil): Mr. Speaker, since it was very late yesterday when we received the official report of the House of Commons Debates for Wednesday, January 22, this is the first opportunity I have to raise this matter.

On that day the hon. member for Shefford (Mr. Rondeau) put to the Minister of Transport (Mr. Hellyer) the following question, and I quote:

Can he tell the house if he will make investigations on the mining rights presently owned by some financiers in the far north of Quebec, who are not only interested in seeing the future international airport built on the north shore of the St. Lawrence, in order to meet their needs better, but who have recently paid the cost of a study conducted by a certain firm, in co-operation with five members of parliament, in order to prove that the future international airport should be located at Sainte-Scholastique, in the constituency of Deux-Montagnes?

Mr. Speaker, the report on the study concerning the Montreal international airport, which was submitted to the Department of Transport by the Argenteuil-Deux-Montagnes intermunicipal board was commissioned and paid for by that board, in a spirit of co-operation and motivation seldom displayed by public bodies.

The 43 municipalities in Argenteuil realized, as early as last summer, the economic significance for our area of the future international airport.

I take this opportunity to publicly congratulate all the mayor and reeves for their initiative—

Mr. Speaker: Order. I understand the desire of the hon. member to congratulate the mayor concerned. However, I have to interrupt him at this time. I do not think that there is a question of privilege unless he wishes to move a motion at this time in order to follow up the question which was raised. And, as I do not think this is the intention of the hon. member, I must therefore rule that there is no question of privilege and that there should not be any debate on the matter raised by the hon. member.

Inquiries of the Ministry

[*English*]

• (11:10 a.m.)

HOUSE OF COMMONS

AGREEMENT TO FORGO SITTING ON TUESDAY, JANUARY 28

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, further to the announcement of business I made yesterday, I think there is general agreement to an order of the house that the sitting of the house on Tuesday, January 28, be suspended. Perhaps that could be made an order of the house.

Mr. Speaker: Is it so agreed and ordered?

Some hon. Members: Agreed.

[*Translation*]

EXTERNAL AFFAIRS

LATIN AMERICA—REPORT OF CANADIAN GOVERNMENT MINISTERIAL MISSION

Mr. Jean-Pierre Goyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in accordance with standing order 41 (2), I should like to table in English and in French copies of the preliminary report of the ministerial mission sent to Latin America from October 27 to November 27, 1968, as well as a relevant press release.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

GOVERNMENT POLICY RESPECTING MAINLAND AND NATIONALIST CHINA

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Prime Minister. Speaking on the problem of recognizing China the Prime Minister said on November 8:

> Our concern is that the government of Taiwan not be disregarded in the process.

When the Secretary of State for External Affairs (Mr. Sharp) was asked on the evening of Tuesday, January 21, if relations would have to be broken with Formosa, he replied:

> I would hesitate to answer that question, but it is quite possible.

Will the Prime Minister now say what the government's policy on this matter is at this time?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker. The government's further policy will be announced in due course. When the Secretary of State for External Affairs replied in the house yesterday to questions asked on the subject, he repeated what the government's position in this matter is.

Mr. MacLean: Mr. Speaker, may I ask a supplementary question that arises from statements I believe attributed to the Secretary of State for External Affairs. Is the Prime Minister now in a position to announce that definitive plans have been made to allow the exchange of views between the government of Canada and the new administration of the United States on the matter I referred to in my previous question, as well as on other matters of mutual concern?

Mr. Trudeau: No, Mr. Speaker. No definitive plans have been made in that regard yet.

Right Hon. J. G. Diefenbaker (Prince Albert): I wish to ask the Prime Minister whether he does not think that the game of uncertainty in connection with the recognition discussions should end, since it is creating difficulty in other parts of the world and particularly at the moment in Formosa. When the Secretary of State for External Affairs last Tuesday night was asked by Mr. Collins on the C.B.C. program "Something Else" if we will have to break relations with Formosa was he stating government policy when he said "I would hesitate to answer that question, but it is quite possible." What is the meaning of those words?

Will the Prime Minister make a statement that will restore a certain degree of hope that the people of Formosa are not going to be sacrificed in any action that is taken?

Mr. Speaker: Order, please.

Mr. Trudeau: There is no question of sacrificing the people of Formosa, Mr. Speaker. The position of the government is that the fate of the people of Formosa should be determined by those people themselves. But in the matter of accusing the government of conducting a shell game of uncertainty—

Mr. Diefenbaker: That is what you have been doing.

Mr. Trudeau: Mr. Speaker, the right hon. gentleman says that is what we have been doing—

Mr. Diefenbaker: Yes.

Mr. Trudeau: —yet in this morning's editorial page of the *Globe and Mail* I read that it was "government-by-surprise." We

cannot at the same time as we are conducting government by consultation and discussion be accused of conducting government by surprise. We are not conducting a shell game of uncertainty. We are discussing these questions at great length with the Canadian public, and there is hardly substance there for government by surprise.

Some hon. Members: Hear, hear.

Mr. David MacDonald (Egmont): As a supplementary question, Mr. Speaker, in view of the concern of many Canadians with respect to these moves by the government, and the respective interest both in mainland and nationalist China, would the Prime Minister or the Secretary of State for External Affairs very shortly make a statement with respect to our position on both of these countries, and the proposal we plan to set forward, so that we can have increased communications with mainland China and carry on some kind of effective communication with nationalist China?

Mr. Trudeau: Mr. Speaker, we hope this will be the result of our policy; but once again I repeat the position of the Secretary of State for External Affairs, that we plan to enter into consultation with the Peking government. This will be done at a time and in a place which we will decide; but until both consultations have begun we do not want to take a position on the government of Taiwan.

Mr. MacDonald (Egmont): Mr. Speaker, perhaps I did not clarify my supplementary question enough. I think it is important, as I am sure the Prime Minister would agree, that before any major changes are made—

Mr. Speaker: Order, please—

Mr. MacDonald (Egmont): —we should have a clear statement from the government.

Mr. David Lewis (York South): Mr. Speaker, I have some questions for the Prime Minister relating to the same subject, and asked from the opposite position from that taken by the other hon. members who have asked questions. I would like to know from the right hon. Prime Minister if he would be kind enough to tell us whether the direct discussions with Peking regarding an exchange of representatives have started. I gather they have not started yet and, if so, would the Prime Minister indicate whether any definite date for the commencement of those talks has been set?

Mr. Trudeau: No, Mr. Speaker, the talks have not begun, nor have we fixed a date. We are now in the process of finding a foreign capital to which both Peking and the government of Canada are accredited, and which would be an appropriate place for these talks to take place.

Mr. Lewis: In view of the fact that, contrary to expressions used this morning, the government of Taiwan does not represent any part of China, and in view of the fact that the government of that country occupies the absurd position of having a permanent seat on the Security Council, as a big power—

Mr. Diefenbaker: What is this—a speech?

Mr. Speaker: Order, please—

Mr. Lewis: —and since it is not a big power—

Mr. Speaker: Order, please. Perhaps the hon. member would start to ask his question.

Mr. Lewis: With respect, Mr. Speaker, in view of the line which previous questions took, I had to indicate that I am asking this question to make sure that my question is understood in the proper context. I would like to ask the right hon. gentleman whether the government is also initiating discussions to have the representatives of Chiang Kai-shek removed from the permanent seat on the Security Council, in order to make room for a seat by mainland China, to which that seat belongs?

Mr. Trudeau: Well, Mr. Speaker, the house will recall that at the session of the United Nations General Assembly in 1966 Canada's position as stated by the then Secretary of State for External Affairs, the Hon. Paul Martin, was that this should be done, that some provision should be made—

Mr. MacDonald (Egmont): Not in 1968.

Mr. Trudeau: I will explain the point if you will be patient. The position was taken that the People's Republic of China should be the China recognized in the charter. We were not able to get off the ground with that position, although we did a great deal of lobbying with some friendly countries. It was then that we decided perhaps the best way to proceed was through bilateral action by Canada; but we cannot persuade the 130 or so countries of the United Nations to do this, with some majority.

An hon. Member: You mean one country.

Inquiries of the Ministry

Mr. Trudeau: No. It is not a vote of 130 to 1. Then we decided to proceed unilaterally. I am glad of the way the question is asked. I know the position of the hon. member on this particular question. I would point out that there has been a good deal of questioning in the house about the position of the government, and I have yet to see the position of the Conservative party on the question.

Mr. MacLean: Mr. Speaker, I have a supplementary question, for clarification. Would the Prime Minister not agree that the recognition of mainland China and the substitution of mainland China for Formosa in the United Nations are two separate and distinct problems.

Mr. Trudeau: Yes, I would, Mr. Speaker.

[*Translation*]

HEALTH AND WELFARE

REQUEST FOR PUBLICATION OF REPORTS OF STANDING COMMITTEE

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the government house leader.

I should like to ask him if he can give us some explanations concerning the fact that reports nos. 8 and 9 of the standing committee on health, welfare and social affairs which held meetings in early December, have not been published as yet. Could the government house leader give us some explanations about this matter and assure us that the reports will soon be made available, as today is January 24 and we are awaiting the French version?

[*English*]

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. I will make an inquiry and report to the house.

[*Translation*]

CAPITAL PUNISHMENT

POSSIBILITY OF RE-INTRODUCING DEATH PENALTY

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Minister of Justice.

In view of the considerable number of murders in Canada, would the minister tell us whether he considers re-establishing capital punishment?

[*English*]

Mr. Speaker: Apparently there is no reply to the question. The Chair will therefore recognize the hon. member for Prince Edward-Hastings.

[Mr. Trudeau.]

NATIONAL DEFENCE

REQUEST FOR STATEMENT ON BASE CONSOLIDATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of National Defence. Does he expect in the near future to be in a position to make a statement to the house as a result of the study which his department has been making for the past several months on the question of the consolidation of Canadian military bases.

Hon. Leo Cadieux (Minister of National Defence): Mr. Speaker, first of all I think I should congratulate the hon. member for his sustained interest in this problem. The decision flowing from the studies that have been made in the Department of National Defence I do not think would call for a statement in the house. That would be in the nature of an announcement or release in respect of administrative procedures, which would follow through whenever decisions are taken.

Mr. Hees: Does the minister expect in the near future to be in a position to make any of the various types of utterances which he has mentioned.

Mr. Cadieux (Labelle): I do expect so, sir.

Mr. J. P. Nowlan (Annapolis Valley): Do we understand from the minister's answer that the base consolidation study has now been completed?

Mr. Cadieux (Labelle): Yes.

EXTERNAL AFFAIRS

CULTURAL AGREEMENTS BETWEEN FRANCE AND CANADA

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Prime Minister. Will the Prime Minister at an early opportunity report to parliament the details of the implementation of any and all cultural agreements involving France and Canada, including the amounts of any federal contribution, the amounts expended or contributed by France in Canada and the numbers and kinds of personnel exchanged between France on the one hand and Canada on the other?

Mr. Speaker: The question is in order to the extent that the hon. member is asking whether the Prime Minister proposes to make a statement, and may be answered yes or no.

Right Hon. P.-E. Trudeau (Prime Minister): No; I do not propose to make such a statement but I am sure the Secretary of State for External Affairs might consider one.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, may I ask the Prime Minister whether the umbrella agreement signed between France and the federal government is still in effect, and is it the government's intention to renew that agreement?

Mr. Trudeau: Mr. Speaker, I know the umbrella is still open, but I do not know whether there is any terminal date to it. I am sure the Secretary of State for External Affairs would be delighted to consider such questions.

[*Translation*]

THE SENATE

POSSIBILITY OF APPOINTMENT OF MISS LAMARSH

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Prime Minister.

As there were many vacancies in the Senate lately, and as there is an additional one due to the death, yesterday, of the hon. Wallace McCutcheon, would the Prime Minister consider appointing shortly Miss Judy LaMarsh, former Secretary of State, to the gilded cage of the Senate?

[*English*]

Mr. Speaker: Order, please.

GRAIN

VANCOUVER, B.C.—EMPTY SHIPS LEAVING PORT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Economic Affairs whether he is in a position today to reply to the question raised yesterday, and indicate whether in fact empty ships are leaving Vancouver harbour?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, and the information provided by the hon. member for Crowfoot (Mr. Horner) was accurate. One vessel has sailed without a cargo, with arrangements having been made for later shipment of the grain. Similar arrangements are being discussed concerning the second vessel.

Inquiries of the Ministry

CLOSING OF OATS, BARLEY AND WHEAT POOL ACCOUNTS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I might use this occasion to say I have been informed by the Canadian Wheat Board that it is their intention to close the 1967 oats, barley and wheat pool accounts on the following dates: Oats, January 31; barley, February 14 and—

Some hon. Members: Order.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this is not the time for statements like this. If the minister wants to make it, he should revert to motions.

Mr. Pepin: Mr. Speaker, I was trying to answer questions that were raised in the house last week but if I am not allowed to do so—

Mr. Speaker: Order, please.

Mr. Diefenbaker: This is not a reply to the question asked. It is a smokescreen.

[*Translation*]

CONSUMER AFFAIRS

INQUIRY AS TO FORMULATION OF CHARTER

Mr. André Fortin (Lotbinière): Mr. Speaker, since the Minister of Consumer and Corporate Affairs stated on Monday, December 9, that he favoured the drawing up by his department of a charter of the rights of the consumers, could the Prime Minister tell us if such a charter will be presented together with the charter of human rights of if both will be merged into a single one?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker, there is no question of merging the charters. The question of the economic rights of man will be dealt with when the federal government brief is considered and we shall then explain why this aspect of the rights of the citizen must not be considered together with the one that deals with political and legal rights.

Mr. Fortin: Mr. Speaker, I wish to ask a supplementary question.

I wish to thank the Prime Minister for his answer, and I would like him to clarify it so as to tell us if there will be two different charters of if they will be merged into a single one. Could he dwell a little more on that matter?

Inquiries of the Ministry

Mr. Trudeau: I can only repeat, Mr. Speaker, what I have said. The two charters will not be merged into a single one; there is no question of putting into the charter of human rights, which shall be discussed at the federal-provincial conference, the consumer charter or even elements of it. I have already explained why.

[*English*]

VOCATIONAL TRAINING

OPPORTUNITIES FOR UNEMPLOYED TO IMPROVE TECHNICAL SKILLS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, in view of the answer received from the Minister of Manpower and Immigration on January 21, in which he indicated that no additional funds would be allocated for vocational training in technical schools, I should like to ask the Prime Minister whether, having in mind his statement that with the elimination of the municipal winter works program additional funds would be provided for the upgrading of such technical schools as require it, he would now agree that there should be funds allotted for such a purpose, particularly because of the urgency connected with this situation?

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

Mr. Skoberg: On a point of order, Mr. Speaker. I do believe there is real urgency and I did not intend any argumentative purpose in asking the question.

Mr. Speaker: Order, please. I cannot interpret the hon. member's intention, I can only interpret the question.

ADMINISTRATION OF JUSTICE

TORONTO—HOLDING OF INDIAN GIRL IN JAIL

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct this question to the Minister of Indian Affairs and Northern Development. On December 17 I asked him a question regarding an Indian girl who had been incarcerated in Don jail. He replied that he would investigate this matter and report to the house. Is he now ready to do so?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, the minister was called to an urgent meeting. I will bring this matter to his attention and endeavour to have some kind of reply for the hon. member shortly.

[Mr. Fortin.]

ROYAL CANADIAN MINT

SIMILARITY BETWEEN NICKELS AND QUARTERS—REQUEST FOR CHANGE OF SHAPE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Finance. I ask him whether, because of the irritation of the public and the confusion caused by the fact that the present issues of quarters and nickels are almost identical, any consideration has been given to changing the shape of either of these coins.

Mr. Speaker: Order, please. I have some doubt whether this is a matter of urgency, but perhaps because of the interest in the question I will allow the minister to reply.

Hon. E. J. Benson (Minister of Finance): Not at the present time, Mr. Speaker.

TRADE

POTATOES—TRADE COMMISSION TO SEEK MARKETS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. I wonder whether, in view of the very large volume of potatoes still in storage and the continuing depressed market with regard, particularly, to potato stock and seed potatoes, the minister or his department has received a request for the establishment of a special trade commission to seek out new markets overseas for seed potatoes. If so, is the minister giving consideration to mounting such a trade commission?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, no such commission has been set up in the past. I have not received a request. I shall inquire whether the department has, and we will do our best to help in this matter.

ATLANTIC DEVELOPMENT BOARD

REPLACEMENT OF CHAIRMAN

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development, but in his absence I direct it to the Prime Minister. In view of the fact that the term of office of the chairman of the Atlantic Development Board has expired, would the Prime Minister say whether a replacement has been made; and if not, what is the position of the board now?

Mr. Bell: It is in limbo.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the minister is not supposed to be in the house this morning, but he is supposed to be here on Monday. I wonder if the hon. member himself was here yesterday, because it is my recollection that the question was answered at that time.

Some hon. Members: No.

DOMINION-PROVINCIAL RELATIONS

CONSTITUTIONAL CONFERENCE—ATTENDANCE OF PARTY OBSERVERS—POSITION PAPERS

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Prime Minister a question with regard to the forthcoming constitutional conference which is to open on February 10. I ask when we may expect advice as to observers at the conference from the various parties in this house. I gather the government party as well as opposition parties would be included. Also, when may we expect to have the federal position papers made public, so we might study them before the conference starts?

Right Hon. P.-E. Trudeau (Prime Minister): With regard to the observers, Mr. Speaker, a decision was reached for the December conference, and it is my recollection that the same decision will apply to this one. But I will check on that. On the second question, we have followed the same procedure as previously, that is, the previous date which was set. The secretariat has written to the provinces suggesting two dates, one for the publication of the report of the continuing committee of officials, and another for the publication of the position papers of the various governments. I have had no reply yet, but I know these letters were sent earlier this week or last week.

Mr. Lewis: A supplementary question, Mr. Speaker. Does the Prime Minister recall the dates which were suggested by the secretariat for those two matters?

Mr. Trudeau: In the case of the memoranda, or position papers, of the governments, yes; it is the Friday before the conference begins. We suggested this date because that was what had been agreed in December, namely the Friday before the conference began. Concerning the date of the continuing committee of officials, this technically is not a matter for the federal government but for the secretariat. I do believe, however, that they suggested dates perhaps a week or five days previous to the papers of the respective governments, which would be the Monday before the Friday or something like that.

COMMUNICATIONS

NEGOTIATIONS BETWEEN FRANCE AND QUEBEC RESPECTING SATELLITES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Prime Minister on one of the non-social aspects of the current Paris talks. Can he advise if the Canadian government is being kept informed of negotiations between the governments of France and Quebec respecting co-operation in communications satellites, and whether the Canadian government regards communications as an area covered by the so-called umbrella agreement of 1965?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I would prefer that the Secretary of State for External Affairs be asked this question. I do not mind however giving the information as I know it. I do not believe we have been advised of the subject matters of the talks, but this is subject to check with the department. We are taking the position, or we are operating on the assumption, that they are only talks as covered by the umbrella agreement. The hon. member is also asking me, as a matter of opinion, whether communications would be covered by this agreement. It is my understanding that they would not, but once again this is just a tentative answer. This question would have to be asked of the minister, and he would have to take advice on it.

NATIONAL DEFENCE

DISCUSSIONS ON STRATEGY AND PROCUREMENT—TRAINING MANUALS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of National Defence. On Wednesday last, in reply to a question asked by the hon. member for Malpeque (Mr. MacLean), the minister indicated that the chief of staff during his visit to France would be primarily interested in securing some training manuals in French which the Canadian Forces are trying to procure in Canada. I ask the minister whether these are Canadian manuals translated into the French language, or French manuals which will be used in the Canadian forces; and are they applicable to Canadian training methods?

Inquiries of the Ministry

Hon. Léo Cadieux (Minister of National Defence): No, Mr. Speaker. The problem generally that we are facing is that since we have what we call French designated bases, we have to provide in some very specific trades a manual in French, the translation of which would be quite extensive if it was done from scratch. The idea behind this particular inquiry is to find out whether you could not in some specific trade—like, for instance, in the navy—use already existing manuals in French. This is the only purpose now. We have to ascertain whether these things could be co-ordinated with the kind of operations that we carry out in Canada.

Mr. MacInnis (Cape Breton-East Richmond): Am I to understand from the minister that these are French training manuals, and that they are compatible with Canadian methods of training? Possibly the minister could also tell me what has happened to the unification idea that was so forcefully put forward by the previous minister, because it seems to me that segregation is now taking place in the forces.

AGRICULTURE

DAIRY INDUSTRY—ABANDONMENT OF QUOTA SUBSIDY SYSTEM

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I was asked yesterday by the hon. member for Saskatoon-Biggar (Mr. Gleave), as reported in *Hansard* at page 4714, the right hand side of the page, if the minister would consider tabling the results of the study on the nationalization of the dairy industry. I must say that I was caught by surprise by the word "nationalization"; I never thought my department was that leftist.

Some hon. Members: Oh, oh.

Mr. Bell: All departments are.

Mr. Pepin: I inquired about the matter and found there has indeed been such a study, but it was concerned with the modernization of the industry. A program designed to encourage the modernization of dairy processing and manufacturing plants was developed, but difficulties with the Minister of Finance forced us to delay implementation of this program. We hope to reactivate it as soon as possible. In the meantime, the document to which the hon. member was referring is still an internal document and will not be tabled.

[Mr. MacInnis (Cape Breton-East Richmond).]

CANADIAN BROADCASTING CORPORATION

"FESTIVAL"—ALLEGED DEGRADING PERFORMANCES, "NEIGHBOURS" AND "THE BASEMENT"

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the Secretary of State is absent today and I have not yet had an answer to the reaction of the C.B.C. to the two shows the other night, "Neighbours" and "The Basement". Would the Minister of Justice consider placing these two films before the law officers of the Crown with a view to ascertaining whether their pornographic content is of such a nature as, in the opinion of the law officers, to constitute an offence against the obscenity sections of the Criminal Code? I ask this because there is no other way in which Canadians can be protected against one or two producers who flout pornography regularly on the C.B.C.

Some hon. Members: Hear, hear.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, for that type of subject I need the very mature advice of my colleague the Solicitor General, who is directly responsible for the police. We will have a chat about that.

Mr. Diefenbaker: Now that the Minister of Justice has bowed to the superior knowledge of the Solicitor General I shall expect a statement to be made at an early date.

Hon. G. J. McIlraith (Solicitor General): I have tried to analyse the significance of the right hon. gentleman's remarks, and will take his suggestion under consideration.

[*Later:*]

Mr. Barney Danson (North York): My question is supplementary to that asked by the right hon. member for Prince Albert. Can the minister tell us when this disgusting broadcast will be rebroadcast?

Some hon. Members: Oh, oh.

GRAIN

CLOSING OF CROP ACCOUNTS—DATE OF FINAL PAYMENTS

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I should like to address a question to the Minister of Industry, Trade and Commerce. Now that the Wheat Board has announced the dates for the closing of the 1967-68 crop accounts, can the hon. gentleman indicate when the final payment cheques will be going out to the farmers?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): By the first week in April, or about that time, Mr. Speaker.

[*Translation*]

SPORTS

ASSISTANCE TO NATIONAL SKI TEAM

Mr. André Fortin (Lotbinière): Thank you, Mr. Speaker.

Last week, I asked the Parliamentary Secretary to the Minister of National Health and Welfare whether the national ski team had made a request for financial aid and, if so, how much it had received. As the Parliamentary Secretary promised me an answer, I ask him if he can give it to us today?

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the presence of the minister will be required in the house on Monday, and I believe he will be pleased to answer the hon. member.

[*English*]

GRAIN

ADVANCES TO ASSIST IN DRYING OPERATIONS

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Industry, Trade and Commerce. Can the minister tell us when he will be in a position to introduce legislation which will provide for further advances to farmers to assist them in the drying of their grain?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Minister without Portfolio, who is in charge of this legislation, might wish to answer that question.

Hon. Otto E. Lang (Minister without Portfolio): It is our hope that we shall be able to do this at an early date.

Mr. Korchinski: Is a month not long enough?

FISHERIES

SEALS—REQUEST THAT OPENING DATE BE SET AHEAD

Mr. Walter C. Carter (St. John's West): My question is directed to the Minister of Fisheries, Mr. Speaker. In his absence today, though I think he is supposed to be here, I will direct it to the Minister of Defence Production, knowing the great interest he takes in the seal fishing industry. I would ask him whether, in view of the fact that veteran sealers believe the opening date for the seal harvest in the Gulf of St. Lawrence, set for March 18, is too late, and want the date set ahead to March 12, the government has given any consideration to changing to the earlier date.

Hon. Donald C. Jamieson (Minister of Defence Production): I would have to take the question as notice and give a reply as soon as possible.

Mr. Carter: A supplementary question to the Minister of Industry, Trade and Commerce. In view of the disastrous condition of last year's fur seal market, due to the tremendous volume of adverse publicity about the annual harvest, can the minister say whether market conditions are expected to improve this year?

Mr. Speaker: Order. I doubt whether this question is in order. It seems to me the hon. member is asking the minister to express an opinion, and for that reason I do not think the question can be allowed.

Mr. Carter: May I emphasize my question, then? Can the minister give the depressed fur seal industry a helping hand by persuading the Prime Minister to buy a fur seal coat to wear on suitable occasions?

Mr. Pepin: I understand that the Prime Minister already has a fur coat.

Mr. Diefenbaker: That will not make him very popular.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I hope you were paying particular attention to that question—by whom it was posed, the type of question, and the portfolio held by the minister to whom it was directed, so that we can in future direct questions to the minister from the Maritimes—

Mr. Speaker: Order, please. I am glad the hon. member brought this to my attention. Ex post facto I declare both the question and the answer out of order.

[*Translation*]

BILINGUALISM AND BICULTURALISM

INQUIRY AS TO ESTABLISHMENT OF BILINGUAL AREAS

Mr. André Fortin (Lotbinière): Mr. Speaker, according to a recommendation made by the Royal Commission on Bilingualism and Biculturalism, which is dealing with the bill on the official languages, bilingual districts are to be set up in Canada. From what we hear, no bilingual districts would be set up in British Columbia and in Newfoundland. I

would like to ask the Prime Minister whether he would consider establishing other standards so that bilingual districts might be created in those two provinces which are located at both ends of Canada.

Mr. Speaker: The question put by the hon. member is much too general, and I do not think it can be asked at this time. The hon. member might put it on the order paper.

[*English*]

GRAIN

AVAILABILITY OF EASTERN CANADIAN PORTS

Mr. Thomas M. Bell (Saint John-Lancaster): A question to the Minister of Industry, Trade and Commerce for the week end, Mr. Speaker: The next time he gives the house a run-down of the grain export situation in Vancouver, would he make available the latest figures and prospects for eastern Canadian ports, particularly Saint John and Halifax, with regard to grain exports, such ports being ready, available, and—I promise—free from bottlenecks.

Mr. Speaker: Order, please.

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed from Thursday, January 23, consideration of the motion of Mr. Turner (Ottawa-Carleton) for the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-150, 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, the Customs Tariff and the National Defence Act.

• (11:50 a.m.)

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, today, the Canadian Parliament has to deal with a bill to amend the Criminal Code, in matters of morality and private behaviour.

It seems that the papers, as a whole, have been concerned with problems of morals and of sex and with some others which were discussed and examined with the utmost caution.

We are witnessing today a strong trend towards exhibitionism and the public display

[Mr. Fortin.]

of obcenities. I was reading yesterday, in a newspaper, an article which made we wonder if here, in Canada, there is any need for amendments such as those recommended by the Minister of Justice (Mr. Turner). I would like to quote this article. The heading reads as follows:

Dutch homosexuals demonstrate . . . peacefully. Yesterday, in the Hague, about a hundred homosexuals and lesbians held a noisy demonstration in front of the Dutch Parliament, protesting against a national law which stipulates that adults of the same sex having relations are liable to a four year jail term.

So, Holland, a country known all over the world for its culture and learning, is imposing a four year jail term with regard to relations between adults of the same sex, while here, in Canada, we seek to legalize such behaviour.

I wonder whether it is not this lack of responsibility which carries with it the right or the power to amend the Criminal Code because at the end of the article, we could also read:

The third sex supporters gave out to members of parliament—

—in Holland—

—small heart-shaped candies on which were inscribed slogans such as: "love", "kisses", and so on.

When we realize that by amending the Criminal Code we make it possible to legalize all these things in Canada, we, of the Ralliement Créditiste, object to it and I should like to say to the Minister of Justice that the Progressive Conservative member for Calgary North (Mr. Woolliams) was right in presenting his amendment because it aroused public opinion which was becoming unconcerned. I thought the minister wanted to divide the omnibus bill.

In fact, the amendment moved by the hon. member for Calgary North made that suggestion because it reads:

(a) referring to abortion;

The government could have introduced a bill on that subject.

(b) referring to homosexuality and gross indecency;

That amendment should not be included in the omnibus bill. A separate measure should have been moved.

(c) referring to lotteries and gambling;

In my opinion, these matters should have been dealt with in a bill. With a free vote which we, of the Ralliement Créditiste have

been asking for for several years, all hon. members could follow the dictates of their own conscience. They should not be forced to take a particular stand by the leader of a party or a Prime Minister who even subjects his party to a continuous dictatorship.

Finally, the fourth part of the amendment moved by the hon. member, referred to, and I quote:

(d) all the remaining clauses of the bill.

We, of the Ralliement Créditiste, were in favour of this amendment and I think it sets a good example to the Minister of Justice. I hope the committee will heed this amendment to divide the omnibus bill in four separate bills.

Moreover, I would ask the Minister of Justice and the members of the committee to give special attention to a comment we received this morning from the Canadian association of automobile drivers to the effect that—

Refusal to submit to the breathalizer test should not be considered a criminal offence.

I think this constructive criticism should be examined very seriously for it would be a shame if an individual who refuses to submit to the breathalizer test were to have a bad record for the rest of his life. I will therefore ask the minister to give serious consideration to this suggestion.

May I tell the minister—I referred to this a moment ago—that there are certainly some very good things in the bill, such, for instance, as the means to control the use of firearms.

We are compelled, at the present moment, to oppose the omnibus bill, for the reasons I mentioned earlier. On the other hand, it has its good points and we would like to see those passed.

I would also like to remind him that, with the youthful drive he has demonstrated in drafting some bills, he said himself that he wanted the bill split, a statement for which I congratulate him.

I might tell him also that, the other day, I met the secretary of an hon. member who told me: "If I had been a delegate to the Liberal convention, I would have cast my vote for the Minister of Justice, to have him as our leader." Had he been chosen, no doubt the bill would have been split, for I am quite sure the orders come from above, from the "big chief", thus bringing dictatorship in the very midst of a party where people, like the Minister of Justice, are not free to say what they think. If it may be of some comfort to the minister, I will tell him that, happily for us, that hon. member's secretary is a créditiste, and she has promised she would go on voting for us.

I thought that the amendment moved yesterday by the hon. member for Calgary North was very responsible and I shall like now to make a few remarks, after listening last night to the parliamentary leader of the New Democratic party, the hon. member for York South (Mr. Lewis).

I am surprised that as a socialist in Canada, the hon. member for York South does not realize that England, with its abusive legislation in every field—according to him the present bill does not go far enough—is courting disaster. As a socialist in Canada, he should understand better, in the light of the British experience, that by passing too strict a legislation, Canada is courting disaster and ruin.

These are somewhat the remarks I wanted to make about what he said, namely that the bill should be harsher.

Since those who spoke before were not lawyers and that I am not one either, I shall quote now an excerpt which I found quite relevant in a letter addressed to the Marquis of Argenson:

The reason I became so disgusted with the law is the abundance of useless notions with which they wanted to fill my mind. "To the point", that is my slogan.

We, of the Ralliement Créditiste, want to be aware of things concerning morality or the various bills which can affect tremendously the life of the Canadian people. Having listened to all those lawyers, I shall say to them: When justice has spoken, humanity must also have its say.

I am part of humanity, as the father of a family.

It is at home that I have the opportunity to exchange views, to discuss things and this is why I think that we should not listen to free thinkers who believe that, with a frank discussion of these things, it will no longer be possible to accuse society of dissimulation and hypocrisy.

We admit that hypocrisy, to cover up sins and moral perversion, has always existed. Men have always secretly attempted to hide every kind of scandalous behaviour for the simple reason that, because what they do is wrong, they prefer darkness to light.

I must say that I am deeply disturbed by the fact that men and women persist in discussing openly these subjects which, for reasons of decency, should not be a matter of bold discussions, particularly in public, between men and women.

The problem of homosexuality and the resulting immorality has, in recent months, been dealt with too freely in the Canadian press. And the obscenities are only starting.

Even now parliamentary debates are crammed with useless details. Even now newspaper reports, public discussions, magazine articles, individual suggestions and advertisements deal freely with sexual and homosexual matters, which are becoming the butt of mockery and buffoonery.

An appeal is made to the avidity and curiosity of the reader, of the listener. Such programs, such writings flood the newspaper, book and magazine market. Now, many modern thinkers argue speciously that one is born a homosexual.

Similarly, some teach that alcoholism is not a sin but a disease. The alcoholic is simply the victim of an appetite for which he is not responsible. Alcoholism is merely an unfortunate thing, a simple result of the fatality which makes man what he is: a being to be pitied rather than blamed for his faults.

Accordingly, the homosexual, we are told, must not be blamed for his perversion. He is merely the victim of fate, and consequently not responsible for his antisocial behavior.

Of course, whether they be alcoholics, gamblers or homosexuals, they all refuse to accept any responsibility for their perversion, yet they give in freely to their appetites, proving that they have no desire to be rid of their passions.

• (12 noon)

In this omnibus bill, we read, among other things, on page 34, clause 14, which I will quote with the note in the margin:

Killing child

Subsection (2) of section 195 of the said Act is repealed and the following substituted therefor:

(2) . . . A person commits homicide when he causes injury to a child before or during its birth as a result of which the child dies after becoming a human being—

The amendment states clearly "after becoming a human being, and subsection (1) of section 195 explains when a child becomes a human being:

A child becomes a human being within the meaning of this Act when it has completely proceeded, in a living state, from the body of its mother whether or not

(a) it has breathed,

(b) it has an independent circulation, or

(c) the navel string is severed.

Now, the bill is amended by providing that an homicide will be committed when it has been established that life is present, and a proper explanation will follow.

Mr. Speaker, my 4-year-old child accompanied us when we went to visit relatives during the Christmas holidays of 1968-69 and getting close to his aunt asked her: "Auntie, may I hear your baby move"? How happy he was when he told us: "Mother, the baby moved!" When a 4-year-old child is able to detect the presence of life in the bosom of a woman who is 5 months pregnant, one wonders why they try to make us believe in this house that the presence of life in a child only appears in the 9th month of pregnancy or at birth. No, Mr. Speaker, we cannot as Christians accept that theory.

At this stage, and like the Prime Minister (Mr. Trudeau) who does it often, I would ask: "What does the people want? How could I hold a dialogue with them?

I have here a letter which a citizen of Montmagny addressed to the hon. member for Bellechasse (Mr. Lambert), who gave it to me this morning. I would like to quote it, because it is a source of reflection and bears witness to real Christian thinking. Here it is:

I take the liberty of writing to you to-night about the omnibus bill that will soon be brought before the House of Commons.

Monday evening, from 10 to 11 o'clock, on the rotten CBC network, we were shown a program that was apparently intended to cause the people to accept the human degradation of those who indulge in homosexuality. The result of this program is that many have been misled and think that these people are sick, while the real reason for their behaviour is an absence of God in their lives.

To prove my point, I refer to page 169 of the Bible, in the Testament, where Saint Paul the Apostle gives the reason for the sexual deviation of these people. Here are some extracts which I advise you to read and to have them read by your leader, Mr. Réal Caouette. I am sure that you will find them interesting, as I know you are an earnest Catholic.

Here are the extracts from the Bible, by the Apostle Saint Paul. They are entitled: "The Universality of Sin", 1.-1, 18:32:

The Gentiles are away from the road to salvation. (20). For the invisible things of him from the creation of the world are clearly seen, being understood by the things that are made, even his eternal power and Godhead; so that they are without excuse. (21) Because that, when they knew God,

they glorified him not as God, neither were thankful; but became vain in their imaginations, and their foolish heart was darkened. (22) Professing themselves to be wise, they became fools. (26) For this cause God gave them up unto vile affections: for even their women did change the natural use into that which is against nature: (27) And likewise also the men, leaving the natural use of the woman, burned in their lust one toward another; men with men working that which is unseemly, and receiving in themselves that recompense of their error which was meet.

(28) And even as they did not like to retain God in their knowledge, God gave them over to a reprobate mind, to do those things which are not convenient. (29) Being filled with all unrighteousness, fornication, wickedness, covetousness, maliciousness; full of envy, murder, debate, deceit, malignity; whisperers; (30) Backbiters, haters of God, despiteful, proud, boasters, inventors of evil things, disobedient to parents; (31) Without understanding; covenantbreakers, without natural affection, implacable, unmerciful: (32) Who knowing the judgment of God, that they which commit such things are worthy of death, not only do the same, but have pleasure in them that do them.

So, it is all that. This person, who is following closely the proceedings in parliament, concluded by saying:

I hope that those quotations from the Bible will be for you a new inspiration in the arguments you might bring forward to try to stop this hateful bill which strikes even the child and takes away from him the right to be born.

But in this measure to legalize abortion on health grounds, the government leaves again that term without definition or qualification. This bill which allegedly calls for a minor reform is found to be something else altogether when carefully looked at.

The amendments to the abortion legislation, as they appear in bill C-150, are in my view based on a concept of justice lacking both depth and recognition of the true implications of abortion.

If a human being has any right at all, the most important implied in all the others is certainly the right to live. This right is the very first one and the others depend on it. All the principles brought forward on human rights recognize this implicitly, but the proposed changes in the abortion laws do not.

The universal declaration of human rights states that:

Every one, as a person, has the right to life, freedom and security.

The Canadian Bill of Rights asserts:

The right of the individual to life, liberty, security of the person and enjoyment of property—

These two documents mention also that all men are equal before the law.

Proposed changes to the Criminal Code deny that equality by giving to the medical committees a discretionary life-and-death power over human beings still unborn. They also run counter to that section of the Declaration of human rights, adopted by the United Nations, to the effect that children have a right to be protected before birth as well as after.

The Minister of Justice proposes to ensure a balance between the child's and the mother's rights. However, there is no balance between the life of the child and the health of another person, especially when the word "health" can be interpreted as "happiness".

Our comfort, our security, even our health may be seriously impaired, then given back to us. Moreover, the child deprived of his life, will be for ever deprived of all his other rights.

It seems obvious to us that no bill on abortion has its place in a really just society and that no government really concerned about human rights would force its adoption.

In a remarkable report entitled "Abortion and human rights", prepared by the Alliance for life at the request of its chairman, Mrs. Joan Lusignan, of Hull, one reads:

Those human rights belong to all men, without any exception and, in a civilized society, it should be an obvious truth. However, today, as in the past, in our country as well as in other countries, some human beings are deprived of the most elementary and essential rights. By an irony of fate, it is justice itself which supports that injustice.

One of the ways of depriving man of his rights is simply to declare that some categories of human beings are not after all human beings. Thus, it is asserted in the Criminal Code that a child becomes a human being at the time of his birth only. With such an assertion, one may rationalize abortion, on the ground that it does not destroy a human life.

I gave earlier the example of a 4-year-old child who can detect the presence of life, and we know that life exists three weeks after the conjugal act. If a 4-year-old child realizes that life exists in the womb of his mother, five months pregnant, how is it possible to make hon. members believe that life does really exist only after nine months of pregnancy?

• (12:10 p.m.)

I raise a fundamental question, and yet it is very seldom raised. If parliament wishes to decree that certain human beings are not human, how could a constitution guarantee

human rights? What would prevent our legislators to limit these rights by restricting the meaning of the term "human being"?

Some legal fiction may be useful and acceptable, but a legal fiction which can be used for the very purpose of denying fundamental human rights is dangerous and cannot be condoned. No government, no legislative body, no judicial body can assume the right to redefine the term "human being" so arbitrarily.

There are very few assertions as arbitrary as this false statement, though widespread, that life begins at birth only. Its falseness should be obvious to the future mother who has already felt her child moving in her womb. And yet she may not know that these movements began even before she felt them during the second month of her pregnancy. The heart starts beating about three weeks after conception and it is at that time that the mother knows for sure that she is pregnant.

For centuries, there have been numerous discussions as to the time when life begins in the human foetus. However, as in those days one did not have the tools of modern scientific research, most of those discussions turned into sterile speculations. Modern science proves that life begins with conception.

This is not a theological opinion, but a scientific fact. In fact, contrary to what many people think, no Christian church has ever laid down a dogma in this respect. The findings of science in this respect are set forth in a non-denominational book, entitled "The Canadian mother and her child" published by the government of Canada, in which we read on page 24:

> One of those spermatozoa and the ovule meet and unite and a new life begins.

Mr. Speaker, in view of the fact that books, distributed all over Canada, contain certain statements and because we are trying to amend the criminal code to legalize abortion, I shall take the liberty, at this stage, to express the opinion of our leader, the member for Témiscamingue (Mr. Caouette) with whom I spoke on his return from a trip to Taiwan, and who asked me to summarize the Créditiste viewpoint.

First, as far as abortion is concerned, we are entirely against it; secondly, we are against homosexuality too. As to lotteries, if the bill was split up, we would be able to look fully into the matter. And finally, we are all in favour of breathalyzers but we urge

the government to consider seriously the constructive criticism we have received from the organization I mentioned at the beginning of my remarks.

If our leader takes such a stand, it is precisely because we discussed those matters at length in caucus. I am a faithful exponent of his opinion and, at the same time, I freely express my own. That is why I urge the Prime Minister, if freedom still exists in Canada, to allow a free vote on this question, in order to release the Quebec members who, in addition to being Christians, are like myself practising Catholics. They will vote in favour of this bill which must be passed at all costs.

The Minister of Justice would have preferred to introduce as many bills as the Conservative member proposed in his amendment. He had already mentioned it and I am convinced that were it not for the dictatorship that exists within the Liberal party and the majority government, Quebec members would all vote against that legislation designed to legalize abortion. I therefore ask them, as Christians and as Catholics, to unite and have that section forever removed from the omnibus bill which will be passed casually, but which will really legalize abortion.

On the other hand, we personally doubt that the draftsmen of the proposed legislation realized that in referring to obscenity between consenting adults they were using the same language used by St. Paul in Chapter I of his Epistle to the Romans, in which God abandoned men to a punishment inflicted upon them by themselves, either in a secret and infamous solitude or, what is worse, in a depraved society, by mutual consent.

Today, we abandon God and God has abandoned us. He surrenders us to complete slavery and to the bondage of our own lusts. When man has reached a certain degree of corruption, when he is determined to abandon God and declare Him dead and buried, the only way to cure him, if there is any hope left, is to let him wallow in his excesses and his corruption. No other means are used by God to bring about in man a result that all warnings and previous punishments had been unable to achieve, that is, complete repentance. It is exactly what the father of the prodigal son did, letting his son go his own way. He let this rebellious son go, giving him his share of property, even though that property, in addition to his bad conduct, was to bring upon him a terrible misery of his own making, that is, the excesses of his own lusts. He repented in his conscience and

mended his ways. The father of this prodigal son is naturally the sublime image of the Father of all prodigal humans. And if we choose to go our own way, He abandons us to our own desires. God's kindness should lead us to repentance, but when we scorn His mercy, His love, His kindness and we decide to go our own way, then, we are also going to the piggery to learn—perhaps from the pigs—what we do not want to learn from God.

Moreover, we, the catholic people of Quebec—and I include here the Liberal and the Conservative members who would have the various parts of the omnibus bill introduced separately—wish that a free vote be taken in order not to feel tied down. On the other hand, I know that they are now begging the prime minister not to be the shepherd who, with a wave of his hand, would compel his whole flock of sheep to jump into the sea. Those catholic members of the "belle province" would like to be treated as free men, able to speak their mind in a country, where some hope of freedom still remains. Besides, I myself recognize, as those hon. members do, that the Pope is our common leader and that he should be obeyed. Now, this is what the Pope thinks of legalized abortion, and I quote:

> Let it be considered also that a dangerous weapon would thus be placed in the hands of those public authorities who take no heed of moral exigencies.
>
> Who could blame a government for applying to the solution of the problems of the community those means acknowledged to be licit for married couples in the solution of a family problem? Who will stop rulers from favoring, from even imposing upon their peoples, if they were to consider it necessary, the methods of contraception which they judge to be most efficacious?

And this applies to the subject of abortion mentioned in the bill. And the quotation goes on:

> In such a way men, wishing to avoid individual, family or social difficulties encountered in the observance of the divine law, would reach the point of placing at the mercy of the intervention of public authorities the most personal and most reserved sector of conjugal intimacy.
>
> Consequently, if the mission of generating life is not to be exposed to the arbitrary will of men, one must necessarily recognize insurmountable limits to the possibility of man's domination over his own body and its functions; . . . limits which no man, whether a private individual or one invested with authority, may licitly surpass. And such limits cannot be determined otherwise than by the respect due to the integrity of the human organism and its functions, according to the principles recalled earlier, and also according to the correct understanding of the "principle of totality" illustrated by our predecessor Pope Pius XII.
>
> It can be foreseen that this teaching will perhaps not be easily received by all; too numerous are those voices—amplified by the modern means of propaganda—which are contrary to the voice of the church. To tell the truth, the church is not surprised to be made, like her divine Founder, a "sign of contradiction"; yet she does not because of this cease to proclaim with humble firmness the entire moral law, both natural and evangelical. The church did not create that legislation, and thus could not be the arbiter thereof; the church is only a depositary and an interpreter, without ever being allowed to proclaim lawful something which is not, because it is deeply and unalterably opposed to the true welfare of mankind.

• (12:20 p.m.)

> By upholding marital ethics as a whole, the church knows that it helps the establishment of a truly humanistic civilization. It urges human beings not to avoid their responsibility by relying on technical devices, it thereby upholds the dignity of the couple. Faithful to the teaching as well as to the example of the Saviour, it shows itself as the sincere and disinterested friend of men whom it wishes to help, even as they start on their pilgrimage, here below, to share, as would beloved sons, the life of the living God.

This statement is supported by Dr. L. Kessel, Director of the Department of Biology at the University of San Francisco, who by the way, is a Presbyterian. I quote:

> Scientific evidence clearly shows that life starts at conception.

He adds:

> The rapid pace of the embryonic development shows us the human life in its most intensive stage of activity.

Confronted with such statements and such awareness, we as members of Parliament must do our daily duty, we, who are free men who must indicate it by voting freely, are demanding, loud and clear, with the public at large and with those intermediate bodies which will be notified tomorrow and will have to submit some briefs, that this shameful bill brought in the Parliament of Canada be withdrawn.

To confirm what I say I have in hand a statement from our bishops. I think that we, in Quebec, must be given the right to be Catholics and Christians just as we allow others to practise the religion of their choice.

As for us, we accept the Vatican's rulings. We recognize the Pope's authority and that of the bishops. I should like to quote a letter from the Catholic Episcopate of Canada:

> The Catholic Episcopate of Canada, which comprises the Canadian cardinals, archbishops and bishops, has just published a statement denouncing unequivocally the federal bill tending to widen the scope of the legislation on abortion. The document first recalls the traditional way of thinking of

the Church, reviewed by Vatican II, which condemns any direct attempt on the life of the foetus and makes it a serious duty to watch over life with extreme care as soon as conception has occurred.

Then, our bishops see the bill tabled in the House of Commons as clearly authorizing direct and voluntary abortion in some definite cases. The letter says: "Not only does that amendment to the law allows a direct and voluntary attack on the life of an innocent, but it invites the widest interpretations". The conclusion is clear and forces itself on us: the amendment is unacceptable, not only from the point of view of the Christian faith, but in view of the requirements of moral standards worthy of man and of public interest.

This article was published in the Quebec *Action* of February 8, 1968, under the name of Roger Bruneau. It went on:

The letter of our bishops is remarkably clear, concise and realistic. To those who think that life does not exist in the foetus in the sense of a protectable value, our bishops reply that the scientists hold, generally that life in the fertilized ovum has individual characteristics and that, in case of doubt, we are not allowed to destroy a human life.

The extreme cases provided for in the proposed amendment are obviously those which have the greater emotional impact on the population. The Canadian bishops recognize the tragic character of situations when a pregnancy threatens the mother's life or health, but even in those cases, to believe that voluntary abortion is permitted "is to ignore the sacred right of the foetus to live". When it is a matter of allowing abortion in order to protect the mother's health, "then it is the sacrifice of a superior value to a less precious good".

Since it causes the death of an innocent, abortion does not remove the tragic character of these situations.

To be in favour of progress does not permit all licenses. "Must we be inclined to consider as an automatic step forward every measure proposed, sometimes rather strangely, as a liberalization or a broadening of the law?" This question is asked by the bishops who do not fail to make clear that "progress of civilization lies in the ever clearer recognition, both in theory, and practice, of the dignity of man, of its sacred character and inviolability".

This is a fine lesson for the followers of modernism, this theory already condemned by Pope Pius X. Modernists in the doctrinal sense are those who hold that we must, as we please, always redefine the traditional attitudes of the Church on moral and doctrinal matters to adapt to new theories and that the Church then must revise, transform, even abandon the traditional teachings.

This is the difference between orthodoxy and heterodoxy.

Our bishops are not cowed by those who hold that the amendment to the act would result in fewer illicit abortions. The facts registered in other countries, they suggest, would substantiate the contrary. Therefore, the argument does not seem valid, unless reliable statistics are produced. At present they are unavailable.

Legislation has an educational value, for the best or for the worst, and the legislator should not underestimate its power. These days, people stress more and more the need for a distinction between religion and law, but it remains that men readily consider as morally right what the law itself allows.

The document issued by our bishops does more than recall Church doctrine on abortion or confute arguments in favour of a change in our faith. It offers real solutions to this serious problem and, from that angle, our bishops' statement is eminently constructive: the promotion of respect for human life by all possible means; a study on illicit abortions and on measures to eliminate them; some assistance to medical research; the enjoyment by mothers of all the facilities of medicine and psychiatry; a more understanding attitude towards unwed mothers and their children and a better response to their needs; additional help to mental diseases; ways and means of truly implementing a more adequate policy regarding society and family.

Any real emancipation depends on these solutions, which are not the easiest, but the most logical.

Every Catholic, every Christian and every Canadian citizen should make a point of reading and meditating carefully the Episcopate's statement on this matter of abortion. Let us hope that the government will take it into consideration and withdraw this amendment to the abortion act; if not, let us hope that at least the members of parliament will have the courage to vote against it.

Therefore if such articles are published and if they are so logical, I ask the Minister of Justice to seriously consider the few remarks I made on behalf of the Ralliement Créditiste, as a Christian and in addition as a practising Catholic.

I say again that we want a free vote so that each hon. member can vote according to his conscience and can come to his own decision as a free man.

Thus the Minister of Justice should at cabinet meetings seriously consider our remarks, because we are convinced that they are based on logic itself.

[*English*]

Mr. Gordon Sullivan (Hamilton Mountain): Mr. Speaker, this bill contains many good and long overdue amendments. However, it has some objectionable provisions with which I cannot agree and cannot support. I specifically refer to the clauses of the bill relating to abortion.

I believe that life itself is a fundamental, basic human right from which all other rights spring. I believe there is no logical point between conception and death to which this right does not apply. I believe that a foetus is logically and biologically life from the moment of conception. I believe that no person can judge the comparative worth of one human being against another.

I believe the law must protect human, individual rights, and particularly defenceless and innocent human life. I believe that if this house does not protect all human life then all human life will necessarily cease to have any secure foundation in law. I believe that any broadening of the abortion laws must have serious and deep-seated consequences for future generations. I believe that this house should not alter the abortion laws at the expense of unprotected human life.

We have heard, read and considered the arguments, the theories presented by doctors, theologians, philosophers, sociologists and just plain parents or prospective parents. The presentations made on behalf of both sides on this vexing question now before us were made with conviction and with the ultimate welfare of the people of this nation kept foremost in mind.

My opposition to this amendment stems from my conviction as a practitioner of the law that if the parliament of this land fails to protect the most basic right of man, the right of life itself, then any and all rights or ultimate welfare are sham and meaningless. The argument that a woman has a right over her own body misses the point involved here completely. She may have a right over her own body but she does not have the power of life and death over another distinct and separate life, that of her own child, even if it is unborn. Medical science recognizes a separate life; everyone does or we would not need this legislation. If it is not life then it is just a tumour or some other growth and no section of the Criminal Code is needed to remove a tumour. We know it is life. The reasons put forward for the taking of that life are not good enough. So let us hear no more of the argument that a woman has rights over her own body. Certainly she has, but she does not have the power of life or death over her child who has a separate life from hers.

I should like to read a letter by a professor of sociology of McMaster University which was written to the editor of the Hamilton *Spectator* and published on January 10, 1969. It is in answer to a letter from a woman who wrote to the same paper stating that abortion should be a woman's own choice. It is a short letter and reads as follows:

• (12:30 p.m.)

In an article (December 28), Myra MacPherson states that "a theory is evolving that abortion should be a woman's choice and that there should be no restrictive laws". Actually this is basically a very old theory. In ancient Rome, for example, a parent (in this case the father) had the absolute power of life and death over an unborn child.

The father continued to hold such power over his children after their birth. When a boy left his father's household he was more or less free of this domination, but in the case of a daughter, her father transferred his authority to her husband.

The head of a Roman household also held the power of life or death over his slaves. The Romans were very consistent: children, wives, slaves were regarded as property and the master could kill them if he wished—there were "no restrictive laws".

Since that time we have generally come to regard women, children, people of other races and countries not as property but as individuals possessed of full human rights. If this is progress, then we will clearly be taking a step backward by repealing that legislation that supports the human rights of the unborn child over the property rights of the mother.

It is signed by Franklin J. Henry, Associate Professor of Sociology, McMaster University.

I have read with great interest the minutes of proceedings and evidence taken before the Standing Committee on Health and Welfare and the many briefs that were filed before that committee. I am sure that every concerned member of this house has taken the time to do likewise. The discussions and cross-examinations that were permitted by the chairman ranged far and wide. There were differences of opinion that were basic and there was a good deal of hairsplitting which at one stage got to the point of whether or not there was life until five days after conception.

Through my reading of the proceedings and evidence including the briefs and other material it seemed to me that there was an inescapable conclusion that life began at conception. In other words, from the moment of conception a chain of activity was set up which when allowed to proceed would result in the birth approximately nine months later of a child. Opinions were expressed that for some length of time this living organism was perhaps only a potential child, that is, that this living organism did not implant itself on the side of the womb for five days, four days or six days. There was a great deal of hairsplitting concerning when the particular person who was giving evidence felt there was what he called life. The most reliable medical evidence—in fact nearly all the medical evidence—was to the effect that in the opinion of the doctors there was life at conception.

It is obvious that this life is innocent and unprotected. The amendments proposed ask hon. members of this house, therefore, to set a price on the taking of life. It is quite true it is life that we cannot see; but let us not be

fooled that it is not life if we cannot see it. Dr. De Veber, Assistant Professor, Departments of Paediatrics and Pathological Chemistry at the University of Western Ontario and Dr. Walters, Professor of Obstetrics at the University of Western Ontario, testified and showed slides to the committee that the foetus was in fact a human being and alive.

Heartbeats have been detected and recorded as early as the 18th day after conception. Blood transfusions have been given to babies in the womb 26 weeks after conception. It has been proven that babies before birth react to pain. In some cases where it has been necessary to give a blood transfusion to a baby before he is born it has been observed that the baby will move away after the needle has been inserted. So far as medical science is able to determine there is some form of life at conception and it continues until death. Death may come to that unborn child before he or she emerges from the womb or it may come, as it will come to us, after we have exercised our right to live.

We must then consider what right we have to kill that unborn child. First of all, the child has a basic fundamental right to life. Second, by declaration in November, 1959, by the General Assembly of the United Nations and by statute enacting the Bill of Rights of Canada, both the United Nations and the parliament of Canada have recognized and declared the right of the child to life, liberty, security of the person and the right not to be deprived thereof both before birth and after birth.

It is an indisputable fact that law recognizes the rights of the unborn. Legal authorities in Canada, England and the United States make this abundantly evident. I shall not take up the time of this house to review these authorities. Let it suffice to say that money and property can be left by will to unborn children; a child injured in the womb in an accident can bring action against the wrongdoer. There are many other examples that I need not recite because this matter is indisputable. How then are we asked in the house to pass this legislation? In essence we are being asked to give some people the right under certain circumstances to take life.

Only a year or so ago hon. members of this house were given a free vote on the question of abolition of capital punishment. This was the taking of a life by the state for the killing of another. It was the taking of the life of an adult who had been found by his peers to have deliberately taken the life of a fellow human being. On a free vote in this house

[Mr. Sullivan.]

hon. members, and I would agree with their vote, voted against the taking of life.

• (12:40 p.m.)

Let us examine the one prime reason that has been advanced for the alteration of the abortion laws. The proposed amendments ask that the members of this house approve of the taking of life—and I shall quote the section—"if the continuation of the pregnancy of such female person would or would be likely to endanger her life or health". I strongly object to widening the grounds to include the word "health". It is all well and good to set up committees in hospitals to define the word "health" but I do not believe on moral grounds that we can sacrifice one life to preserve the health of another person. Health is defined by the World Health Organization as follows:

> Health is a state of complete physical, mental, emotional and social well-being and not merely the absence of disease and physical well-being.

Surely it must be obvious to all that any doctor could legally adopt this definition of health and we would then be faced under the present amendment with abortion almost upon request. I suppose on this wide definition of health an abortion committee could well find that a mother's mental health could be affected by worrying whether her baby would be deformed and grant her application for an abortion. Dr. John McKelvis, professor of obstetrics at the University of Minnesota, poses this very ironic question:

> Do we kill nine babies to save one parent's emotional embarrassment at the production of an abnormal baby, where abnormalities may be reversible? Common sense would say, wait until they are born. Find the ones who are deformed, find the ones who are blind and then kill them. Isn't this much more sensible than destroying normal babies?

Perhaps there are those who believe that a permissive society should indeed condone abortion on request. I cannot accept such an approach as being responsible, and as we watch our society develop I find more and more people concluding that this trend toward permissiveness is just not the answer.

Many socio-economic arguments were advanced for killing the unborn child. It must be the decision and the conscience of every member of this house when he or she is considering voting for this amendment to decide whether or not he or she has the right for an economic reason to kill. It makes it easier to kill something we have not seen, but if we think about it, it is still killing.

We next come to the consideration of the health of the mother. All of the doctors testifying before the committee said that the main reason the health of the mother would be affected would be for psychiatric reasons. Even the psychiatrists called rather poohpoohed the arguments that abortion would help if, in fact, there was a real psychiatric problem with the mother. At least one of them testified that after some reassurance and the pregnancy continued the mother would be better off from a psychiatric point of view.

There are arguments used which can only be described as arguments of expediency. A family would be better off in dollars and cents if it did not have the added responsibilities of bringing up a retarded or deformed child. Some families and even some children might be better off without the unwanted child atmosphere that sometimes develops for economic reasons. But surely this is not a reason to kill. We are not dealing with crops which may be arbitrarily destroyed if considered inferior or surplus. We are dealing with human life even if unborn. We cannot encourage or even condone the destruction of such life merely because it may cost dollars and cents or cause inconvenience. Surely such a step is backward in the context of human rights.

As someone on the committee said, he would like to see the abortion law opened wide but he believed in proceeding bit by bit. So we have already had notice that this is only the start of the movement. If the members of this house permit the altering of these abortion laws as proposed there is no logical reason that can be submitted later why the unwanted, the unproductive, the deformed and the mentally retarded members of our society should not be exterminated.

I believe that, regardless of party affiliation, each hon. member of this house must vote on this issue according to his own conscience, as it goes far beyond party lines or other man made disciplines. For this reason I am opposing the proposed amendment concerning the law of abortion in its present form and intend to vote against this bill. This decision was not arrived at rashly or lightly. Opposition to this clause and the inclusion of this clause in the omnibus bill may distort the meaning of the votes cast by members who feel as I do. It is unfortunate that my opposing vote to this clause must also be cast against so many other clauses with which I concur. Unfortunately my conscience leaves me no choice.

Contrary to some unfounded and untrue reports, Mr. Speaker, I should like to inform you and the members of this house that my position on this matter is the same now as it was before nomination day and as it was before the election, and I made this fact known publicly during the campaign. In conclusion I should also like to inform you, Mr. Speaker, and the members of this house that at no time did I get any request from the Minister of Justice (Mr. Turner) to change or alter my position on this matter, and I would like to thank him publicly for this consideration.

Mr. Erik Nielsen (Yukon): Mr. Speaker, the speech of the hon. member who has just taken his seat is a clear indication of the reason the opposition advanced its proposal to the government to separate the various provisions of this bill. I have great sympathy for the hon. member and the manner in which he is torn. He has taken a position which happens to be similar to the position I take.

When one reads the bill, particularly a person such as I who works with the provisions of the Criminal Code throughout the weeks and the years, one finds many useful provisions in it. To be placed in the position of voting against the useful amendments contained in the bill simply because of the deep conviction one holds in respect of the objectionable parts is a very sorry position to be in.

The position taken by the hon. member who has just resumed his seat somewhat belies the position the minister took in saying that the bill had stood the test of a general election. He left the impression that because the Liberals were returned to office with a majority government that gave them a mandate to proceed with the bill as it stands. Not only that, he left the implication that the majority of the electorate in Canada, particularly those who elected Liberal candidates, were in favour of the provisions of this bill. That is not the case in respect of the hon. member who has just taken his seat. He made it quite clear to the electorate of his riding, that he was opposed to the principle of abortion, yet he was elected. The minister is wrong on that count.

• (12:50 p.m.)

I suppose this bill could be called, as the minister has described it, part of the government's social legislation, the Magna Carta of the just society. When one reflects on it and what took place at the last session what have

we got? We have divorce, abortion and homosexuality. This government has earned the distinction of dealing with divorce, abortion and homosexuality while the economy of the country is drifting extremely dangerously. It has not dealt with much else. I have raised these points in other debates. I am as broad-minded as the next person, but I cannot help wondering whether the Prime Minister (Mr. Trudeau) really knows what he is doing. He has had no hesitation in identifying himself with the provisions of this bill. He did so in March of last year.

The Minister of Justice (Mr. Turner) in his introductory remarks yesterday made it quite clear that he certainly is not the father of the bill and that the Prime Minister is going to be—I think this is what he said—indelibly linked with this legislation as its father. This is undoubtedly legislation of the Prime Minister. He is the father, rather than the Minister of Justice, of all these provisions relating to the permissive society. Now the Prime Minister has thrown the torch to the Minister of Justice, who with his usual elan has hurled himself into the breach in order to usher in that bright, new world in which we will all participate and which we all anticipate will come about as a result of these amendments. This is part of the Magna Carta of the just society.

Let us look at this legislation carefully. In its present form it is a mishmash of revision, amendment and redrafting of the Criminal Code. In this legislation, really the brainchild of the Prime Minister, the government opens the door not on the just society but rather on the permissive society. The question that occurs to me and persons like the hon. member who has just resumed his seat is, just how wide should this door be opened, and how wide is it going to be opened?

Let us consider the breathalyzer. The government has introduced compulsion and regimentation through the breathalyzer test. I speak as one—I do not like referring in debate to my background and do not do so very often—who has spent several years prosecuting as well as defending in criminal cases. What the bill says and what the law will say if it is passed in this form is: Take the breathalyzer test or be regarded as guilty. That is the attitude in this legislation. I take the position that such an attitude has no part in legislation passed by a free parliament in a free country operating on the basis of the democratic process upon which our system of justice has been built and is based.

In connection with homosexuality I say bluntly that while the Prime Minister may pride himself on his statement that the state has no business in the bedrooms of the nation, he has in these various measures intruded to quite an extent into the bedrooms of the nation. In effect, so far as homosexuality is concerned the bill renders permissible what was previously a criminal offence. To that extent the Prime Minister, through his bill, has taken the government into the bedrooms of the nation. The basis of this legislation is the Prime Minister's belief that homosexuals will behave like gentlemen and that abortions will only be authorized when there is an overwhelming reason. Let me tell the Prime Minister and the Minister of Justice that if homosexuals behaved like gentlemen they would not be homosexuals.

Some hon. Members: Hear, hear.

Mr. Nielsen: In fact, they would be gentlemen. So far as abortion is concerned, the reasons for permitting it under any and all circumstances will prove to be as overwhelming as the reasons for inducing it at all. One assumes the Prime Minister feels that as a result of this legislation homosexuality can be restricted to the bedrooms of the nation. What guarantee is there of that? I believe the bill does refer to lavatories.

The government holds the distinction of liberalizing divorce, permitting homosexuality in private places between consenting adults, and allowing abortion under certain conditions. How wide are we going to open this door to the permissive society? The Minister of National Health and Welfare (Mr. Munro) has gone on record as favouring a greater degree of permissiveness in narcotics regulation, particularly with regard to marijuana. One is permitted to inquire, or at least to conjecture, what kind of society we will have when all these amendments are in force, if what some of us fear is inherent in statements like those made by the Minister of National Health and Welfare comes about in legislative form.

What manner of society are we producing? Is this the Prime Minister's just society, a society where marijuana smoking, consenting adults, having secured an easy divorce from their previous spouses, childless as a result of repeated abortions, may now be compelled to take breathalyzer tests or be regarded as guilty of drunken driving?

Mr. Speaker, may I call it one o'clock?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2 p.m.

Mr. Nielsen: When we adjourned for lunch, Mr. Speaker, I was talking about the just society as opposed to the permissive society and pointing out how much more usefully the government could be using its time if it would devote itself to meaningful and constructive legislation for the creation of a just society rather than to what confronts us in the bill now before the house. Under this government the just society takes on an increasingly curious image.

In July of 1967 a commission of inquiry presided over by Mr. Justice Morrow was set up to inquire into a situation in the Hay River area. We often hear hon. members of this party, as well as of the N.D.P., speak about the sorry plight in which the Indian people find themselves in matters affecting the administration of justice. The recommendations made by Mr. Justice Morrow as a result of that inquiry have yet to be implemented.

I think it is worth while to bring to the attention of the house the fact that when the docket is dealt with in our northern courts each morning Indians comprise a sad and sorry parade before the justice of the peace or the magistrate. They are fined almost automatically and because they lack the money to pay they are automatically jailed for a myriad of offences. One wonders why the government is not acting on the recommendations which Mr. Justice Morrow of the Territorial Court of the Northwest Territories made almost a year ago.

The first recommendation was that the courts of the justices of the peace should be held either in proper courtrooms or in rented premises separate from police facilities. Imagine the mental impression which the Indian, in most cases uneducated and illiterate, receives when he appears before authority to be dealt with. How much more in the interests of justice it would be if these Indians could be dealt with in premises which do not smack of the authority of the police office.

The second recommendation was that new public buildings in northern communities should include some kind of courtroom with adequate seating for the public, and a minimum law library.

The third recommendation urged:

> That justices of the peace be appointed only after a broad process of consultation among knowledgeable persons, that appointments be for a fixed term, that they receive more assistance and information from the Department of Justice and the territorial government, and that they be paid by fees or honoraria, and not out of court costs assessed against the accused.

The commission next recommended that immediate consideration be given to the appointment of a second legally trained magistrate for the Northwest Territories. I would add that such a recommendation should apply to the Yukon also. The first recommendation was:

> That the government of Canada give formal recognition to the principle of legal aid for indigents—

This is a subject about which we have been speaking in the present debate.

> —in the Northwest Territories, not by the appointment of a public defender but by a system of legal aid by members of the bar for reasonable remuneration, and not dependent on court appointment.

Note that this is not just in connection with capital and semi-serious offences; it applies to all offences. How often a native Indian with limited intellect appears before the courts without even understanding the charge being read to him.

The sixth recommendation by Mr. Justice Morrow was that consideration be given to changing the whole attitude toward drunkenness so that it would cease to be treated as a crime. That falls within the purview of the minister. And so the recommendations go; I do not have time to read them all, but they have been public for a year and nothing has been done.

Mr. Turner (Ottawa-Carleton): May I ask the hon. member whether he is aware that the great majority of those recommendations have already been implemented.

Mr. Nielsen: Mr. Speaker, I am basing my statement on, if not the last, the last but one issue of a newspaper which was instrumental in the commissioning of Mr. Justice Warren in July, 1967, in the first place. According to the lead editorial on the front page, we in the north are still waiting for the implementation of these recommendations. I do not get over to the Mackenzie very often because it is about 1,000 miles from my home town.

Mr. Turner (Ottawa-Carleton): You are on the wrong side of the river.

• (2:10 p.m.)

Mr. Nielsen: I think I am on the right river though. In any event, the news media in the

north are indicating that we are still awaiting the implementation of these recommendations. For example, I do not think that the second magistrate for the Northwest Territories has been appointed, which was one of the recommendations. I do not believe that counsel is now being provided for indigent native peoples in the north, certainly not in the Yukon, and this was another recommendation. I do not want to go down the whole list and embarrass the minister.

Mr. Turner (Ottawa-Carleton): Is the hon. member aware that of 74 recommendations about 65 have been implemented.

Mr. Nielsen: All I have here is a summary of 11 recommendations, the central, really important ones, and we are still waiting for their implementation. However, I will leave them with the minister and perhaps he will make some inquiries. I think he will find that at least on this occasion I am semi-accurate.

Now, about this just society. At the same time that the government is trying to create this society the ordinary Canadian, having had his right to possess arms seriously curtailed, will have no defence against the creatures of this new enlightenment if they should happen to invade his privacy. There are in Canada serious problems of reform, both economic and constitutional. These firearm provisions, which require that a person must have a permit signed either by the Commissioner of the R.C.M.P. or somebody delegated by him, cause me to wonder what the Eskimos in our isolated communities in the high north are going to do when they are required to travel several hundred miles to the nearest R.C.M.P. post to apply for a permit to carry a rifle so they can shoot their food. These provisions will be pretty difficult to implement in circumstances such as these.

Parliament must come to grips with the problems that arouse the conscience of Canadians. One of the more serious of those problems affects the living conditions of our Indian and Eskimo people in the north, indeed our Indians throughout Canada. Whether or not we agree with the approach proposed by the Minister of Justice it is in his favour—and I say this frankly—that he has at least attempted to deal with basic social problems. In so doing, of course, we cannot accept solutions which affront the conscience of a majority of our citizens. We have just heard from one member on the minister's side of the house, and there must be others who have similar remarks to make.

By the government having adopted the course it has adopted and forcing us to vote on this omnibus bill, members opposite as well as on this side of the house are placed in the position that they must vote for something this is repugnant to them.

Mr. Flemming: Or against it.

Mr. Nielsen: For example, they may not believe in abortion. Or, as my hon. friend says, they must vote against the measure. This is an extremely untenable position in which to put any member. Any member on the other side of the house who has the intestinal fortitude of the hon. member who preceded me will rise and declare that he is not going to be forced into the position of voting for this bill—after all we are debating the principle which includes all of the bill—because it includes something that he does not believe in, namely, abortion. I wonder how many of these members are going to be absent or behind the curtain when the vote comes.

Mr. Gray: Where will you be?

Mr. Nielsen: I may not be here. I may be at home attending an examination for discovery in proceedings that have been brought against me by the Liberal Association. I am likely to be absent from time to time by compulsion. I do not object to that, but if I am able to be here I am going to vote against the bill. Although I adopt 80 per cent of its provisions, I do not adopt the abortion provisions. It seems to me that the government is being entirely inconsistent. It abolishes capital punishment. We must not kill. But the government is going to kill human beings unborn. I suggest it is adopting an entirely inconsistent position.

I am speaking about the majority. It seems to me that somebody must speak on behalf of the majority. The great silent majority remains voiceless. The government has spent too much time, in my view, in a dilatory pursuit of marginal problems. That statement is not meant to be partisan but factual. It is perhaps a temptation to any government to pursue that which is remunerative in terms of headlines rather than those sober but necessary solutions that the times require.

We can no longer, for instance, put off remedial action to deal with the problems that face not only eastern agriculture but those which gave rise to the long debate last Wednesday evening. We must give serious consideration to the problems of education in

a number of provinces and territories. The need for the reform of government in our two northern territories is long past being urgent. Deep and wide cracks are appearing in our national life. It is not a question of patching over; it is a question of getting down to the basic problems.

The need for social legislation covering abortion and sexual aberration is apparent, but it must not blind us to the need for long overdue action in fields vital to our national integrity. The Prime Minister has said that the government has no place in the nation's bedrooms. That is an extremely facile generalization hardly worthy of one whose task it is to lead the nation.

I am going to leave the bulk of the remarks on this next subject to those more familiar with it than I, but I do say that the danger in homosexuality lies not in what occurs between consenting adults but in proselytism. In abortion the question is simply one of destroying human life, under whatever guise you want to give it.

The pattern that we are asked to accept in adopting a more permissive approach, which is creating a situation that is turning us into a permissive rather than a just society, to those things which mankind for centuries has kept under lock and key must be viewed with some scepticism. The argument is that in the electronic and space age human nature has reached a stage of development where we are no longer to be subject to the taboos and shibboleths of a more primitive era. It is a question of how wide we open the door.

Yet permissiveness is always characteristic of a primitive society. It is only in a sophisticated society that self-imposed discipline is tolerated. That is the whole ideal of the Criminal Code, indeed of all our laws that govern living conditions in the society in which we live. Human nature has remained pretty well what it was in the days of the Sumerians, in spite of McLuhanism and a greater facility in communications. We may be lapsing into an era of electronic permissiveness.

• (2:20 p.m.)

The problem we have to face in legislation having profound social consequences and which is both moral and ethical in its implications lies in the extent to which the law should attempt to deal with matters of conscience. It would have been simple for the minister to separate the provisions having to do with mechanical amendments, such as those affecting bail and present sentences, from those dealing with moral aspects of human life. The provisions dealing with moral aspects could have been extracted from the bill so that hon. members who wished to could vote on them according to the dictates of their consciences.

Generally speaking, the law should not deal in matters of morals any more than should medicine. It is the social consequences of legislation which must concern us. We must not legislate to permit activities which are repugnant, morally degenerative or socially destructive. The legislator does not have unbounded jurisdiction over the human spirit. Let me make plain that I do not speak today as an adherent of the Roman Catholic religion, as will be the case with a good many hon. members who will be speaking in this debate. It is hard to separate matters affecting moral conscience and religious belief. In my view, to hold that the legislator has unbounded jurisdiction over the human spirit is to uphold spiritual tyranny.

I now want to speak about abortion. The bill provides for an abortion committee of doctors to be set up in hospitals under provincial or territorial authority. The committee or board would certify as to the need on health grounds for an abortion, following which an abortion could be legally procured. The effect of this is to bring within the purview of legality artificially procured abortions which now take place outside the law. It means that those who under the present law are securing or procuring abortions in a criminal fashion will be able to do so in future within the law in a number of cases. But what of those who go before such boards and are rejected? Having gone to a hospital board and having endeavoured to secure authorization for an abortion on grounds of health or danger to life, what do such persons do if they are rejected by the board? Some will accept the verdict. Others will go ahead and have the abortion anyway, and to do so they will resort to clandestine and illegal means. Therefore I suggest to the minister that the amendments will fall short of their objective in this regard in that they will not necessarily remove the sinister, shady, sordid and dangerous activity of the undercover abortionist.

And what sorts of pressures will these provisions of the bill place on the hospital board? Medical men are being asked by this bill to take in their hands the question of life and death affecting an unborn child. They

will be asked to pronounce on human life, to decide whether that child, a human being, is to be allowed to stay alive or to have its life removed. They will be asked to decide whether that child shall be allowed to come into the world and become a person or be checked at the beginning of life. That is a decision which is social, moral, legal and humane. It cannot be divorced from the human and spiritual aspects in which it is clothed.

I ask, will it not in most cases be easier to allow abortion than to force a woman to have a child she does not want? Do we not by the provisions of this bill open the door to unrestricted abortion in fact and in practice? It is hard to reconcile the government's thinking on human life. It says on the one hand, "We cannot take the life of a convicted murderer" and on the other hand, "But we can take the life of an unborn child."

One hesitates to use the argument about the rights of the unborn child, not because it is not a powerful and valid argument but because those who have introduced this bill and support it have already made up their minds that those rights either do not exist or are inconsequential. Are we to take a view on this matter that is purely materialistic, hedonistic or scientific? The view that says the unborn child has no rights and is not to be treated as possessing human life with a claim to personality is neither scientific nor just. Is there any question that if an unborn child, a foetus, were the heir to a fortune or crown the destruction of that foetus for motives either pecuniary or political would be murder? One would have to agree it would be murder. Has not the yet to be born child as great a right to life as, for example, the convicted murderer? The murderer has the right to live, and this government has said so. But according to the legislation before us the child who has harmed no one has no right to be born if his birth will be a cause of mental or physical injury, inconvenience or embarrassment. That is what the question will resolve itself into.

Wherever abortion has been permitted in the past, as in Greece or in Rome, it has contributed to the decline and downfall of that society. In Japan abortion is now practically unrestricted. One asks, how wide are we to open the doors in this permissive society? Taken in context with other adjustments having the effect of weakening a social fibre painfully built up over the centuries—I am speaking of relaxation in divorce, homosexuality, drug addiction, obscenity, and similar

[Mr. Nielsen.]

provisions in the law—there is a distinct possibility that we have gone a long way toward writing off the future in building a permissive society. The experience of the past has been that certain areas of human conduct hold the keys to destruction and decay. Antisocial practices such as homosexuality, drug addiction, abortion, easy divorce and the toleration of obscenity have led inevitably to the destruction of the society in which they were unleashed. Experience has framed our laws so as not to permit the progressive corruption which such modes of conduct entailed in the past. Practices and activities which if carried out and accepted universally would make organized society impossible to maintain are by their nature antisocial. These are the practices we are today being asked to look upon with tolerance, if not with favour.

There should be no penalty against an unwed mother or her child. Where such children cannot be looked after they should be taken care of by the state, with no contumely attached. Instead of being concerned with the type of legislation before us the government might consider the plight of unwed mothers and their children. If the nation wants to fill a gap in social legislation, in that area there is huge room for improvement. In the handling of children without parents, our society leaves a great deal to be desired. It is an area with regard to which the federal government should sit down with the provinces and work out a program so that across this nation, without discrimination, without fear and without prejudice, the same standards can be applied in the handling of all children who through no fault of their own have been deprived of the love and care of their natural parents, either married or otherwise. Surely it is the children who must be our chief concern.

• (2:30 p.m.)

When I visit some of the hovels and tents in the north I see children of native Indians living in the most abject squalor. It is beyond the imagination. One wonders why the federal government does not meet with the provincial and territorial governments and attempt to solve these problems instead of concerning itself with homosexuality. Surely children in this advanced, modern, enlightened nation, in this space and electronic age, have the right to decent, reasonable treatment across this country regardless of the circumstances in which they enter this world.

Rather than removing the life of an unborn child, is it not more progressive in this of all

countries to allow them to enter the world and then to look after them upon a basis of national justice and decency? Nothing is more urgent than that something should be done about the situation of children in this country. Some people call them unwanted. No child in Canada should be unwanted and it is not through the removal of the right to live that we shall solve the problem without other changes.

It is regrettable the government has not seen fit to allow the division or sequestration of the various propositions inherent in the bill. Had this been done voluntarily by the government, it would have been possible to vote in favour of some of the amendments which are reasonable, while opposing those which may well open the door to a host of evils. As it is now, the government has condemned those who vote for the bill to be presumed to be favourable to each and every proposal included therein.

Some hon. Members: Hear, hear.

Mr. Nielsen: That is the position in which the government by its customary intransigence has placed its own members. They will adopt the easy course of going behind the curtains rather than vote because of a lack of courage to stand up and express their moral convictions and oppose those portions of the bill to which I am sure a number of them must be opposed. By adopting this position the government has made it more difficult for others who favour a measure of reasonable reform to accept this omnibus approach.

An hon. Member: Ominous!

Mr. Nielsen: As my friend said, it is an ominous approach. There is still time for the minister to reconsider and convince his colleagues that the right and moral thing to do, in fact the only thing to do, is to have a free vote on this measure. If it is to mean anything the government must remove the suffocating umbrella which they have placed over their members by calling it a government bill and telling them how they are to vote. There are only four important moral portions in the bill. I urge the government to adopt the reasonable course of allowing members to vote on each portion separately and apart from the mechanical and purely routine amendments contained in the bill.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I do not intend to canvass the whole of this vast bill before us but to make comments only on certain aspects, in particular those aspects which deal with sexual morality.

I believe the omnibus bill reflects an entirely new governmental approach to the criminal law. The criminal law, as that part of the law which regulates conduct in the broadest way and in the most fundamental matters, is the area of law which is most closely related to people's moral beliefs. Moral beliefs, in turn, are largely, though not exclusively, formed by religious beliefs. Whatever the relationship of morals to religion, and there are many theories on this subject, criminal law has traditionally been thought to be merely morals codified and backed by the authority of the state.

Since people's views as to what is sinful change slowly and almost imperceptibly, one would expect that the criminal law would change at the same pace. In point of fact, because of the unavoidable inertia in the legislative process, legal changes usually lag far behind moral changes in society, even though they ultimately come to reflect them. This is emphatically the case with the criminal law in Canada. The first Canadian Criminal Code, enacted in 1892, merely codified the existing common law on crimes. Changes made over the years were relatively minor and there was no general revision of the Code until the 1953-54 session of parliament at which time the revision was more remarkable for its rearrangement and consolidation of existing law than for its innovation. It is no exaggeration to say that the omnibus bill would, if passed, effect the most important change in the criminal law since it came into effect in the form of a Code in 1892.

The bill would bring about a change not only in criminal legislation but also in the philosophy behind it, for it apparently indicates a determination that law shall no longer be thought of as a mirror of morals, and that from now on crime and sin, law and morals, must be distinguished.

If this bill is passed, homosexual acts committed in private between consenting adults will no longer be prohibited. In other words, homosexual acts which do not involve the imposition of an adult will on a child's, or which do not offend against sensibilities through a public display, will be beyond the purview of the law. Similarly, unusual sexual acts will no longer be against the law if they are performed in private between two persons. The rationalization of these changes has been stated to be that the state has no business in the bedrooms of the nation.

The notion of the limited capacity of the law in the enforcement of morals is not a new one in legal theory. St. Thomas Aquinas proclaimed some seven centuries ago that "human laws do not forbid all vices, but only the more grievous ones, and chiefly those that are to the hurt of others." He also insisted that only rules for the common good of the body politic could be made into law.

Venerable as it is in theory, however, it is comparatively new in practice, for by and large legislators have thought it best to forbid all actions which were generally disapproved of at the time. The recommendations of the Wolfenden committee, on which the new Canadian proposals are based, were themselves ignored for 10 years by the parliament of the United Kingdom. It is, in fact, recent theorizing sparked by the Wolfenden report which has helped to better define the desirable limits of legislation.

What are the desirable limits of legislation? The principle of this bill is clearly that the proper sphere of legislation is public behaviour and that purely private behaviour is not a legitimate area of legislative interest. I strongly support this principle because I believe that the competence of the state is limited and that private behaviour is beyond the purview of the state.

But what is public and what is private behaviour? About a century ago John Stuart Mill in his famous book, "On Liberty", chapter 1, said:

> The only purpose for which power can rightfully be exercised over any member of a civilized community is to prevent harm to others. His own good either physical or moral is not a sufficient warrant.

• (2:40 p.m.)

Mill's statement incorporates the laissez-faire economic prejudices of the 19th century; I would not accept it as a complete statement of government power but in this area of criminal law I believe it states the principal thrust of government competence.

Even this principle of harm to others still lacks clarity. Is it physical harm or moral harm? In the context of this bill it must include physical harm, it seems to me, and exclude moral harm. For example, changes with respect to homosexuality could hardly be defended if this were not the bill's philosophy. Yet the harm which the state seeks to protect its citizens from through a criminal law must be somewhat broader than physical harm or we could not justify the fact that we are not entirely wiping the law of gross indecency from our statute books.

It must be moral harm, too, in cases where the other person involved beside the committer of the act is in special need of protection. We are, in the result, very close to the philosophy of the Wolfenden report, and I quote from paragraph 13 of that report:

> "(The) function (of the criminal law), as we see it, is to preserve public order and decency, to protect the citizen from what is offensive or injurious, and to provide sufficient safeguards against exploitation and corruption of others, particularly those who are specially vulnerable because they are young, weak in body or mind, inexperienced, or in a state of special physical, official or economic dependence.
>
> "It is not, in our view, the function of the law to intervene in the private lives of citizens, or to seek to enforce any particular pattern of behavior, further than is necessary to carry out the purposes we have outlined."

It was on the basis of this philosophy that the Wolfenden committee recommended that homosexual behavior between consenting adults in private should no longer be a criminal offence. If this attitude is, as I believe it should be, the one guiding us here in the area of criminal law, then we have hardly scratched the surface of criminal law reform. Let me give a few other examples of where this principle may lead us in the future.

In the light of this principle, can the offence of blasphemous libel—section 246 of the Code—any longer be justified? Second, can the offence of attempted suicide—section 213—be justified, or is this not possibly an area which should rather be dealt with by psychiatric means? Third, can the offence of obscenity—section 150—be continued unless it can be shown that obscenity is a contributing factor to illegal sexual conduct such as indirect assault or rape, or except as it affects minors? Fourth, can the offences respecting prostitution be maintained in their present form? I ask these questions for the reflection of hon. members of the house.

It seems to me that hon. members will not only have the duty in the future of scrutinizing legislation on the basis of the harm-to-others principle, to the extent that they accept it, but that they have that same duty now with respect to the various amendments which are before us, the most relevant one, I believe, and the one upon which there is most dispute being that with respect to abortion.

In my opinion the hon. member for York South (Mr. Lewis) in his very eloquent address last night begged the question when he took the view that there should be no law

at all respecting abortion. He did not directly face the implications of the harm to another principle. Of course I realize that if he had been able to deal in detail with all parts of the bill, with unlimited time, he might very well have met this point head on, but as his speech was delivered this question was not faced.

The human foetus is at least a potential human being. I think we can all begin with that measure of agreement. Perhaps if it is only that, hon. members might consider themselves justified in giving priority to the desires and needs of an actual human being, the mother, over this potential being. But if it is itself an actual human being, how can they logically take that position? Therefore the fundamental question, it seems to me, is whether the foetus is human, whether it is an actual human being.

It has always struck me as rather ironic that, to some extent at least, those who favour abortion oppose killing in war and capital punishment. Surely it is equally ironic that those who oppose abortion are often the same ones who seem to favour war and capital punishment. Perhaps this illustrates how closely we should look at a particular problem to see how our general principles should be applied to it.

Most therapeutic abortions are performed at about the 12th week when the foetus is in a comparatively early stage of development. It is before the time of the so-called quickening, which for some centuries was thought to be the time at which human life began or at which human life manifested itself.

On the other hand, science seems to be showing more and more the continuity of human life from conception to death, with characteristics of individuality perceptible from the very outset. The only sure fact seems to be that neither biochemistry nor medicine has progressed to the point where we can determine with scientific exactitude the time at which human life begins. At present it seems to be largely a matter of definition, of how we define human life. Because this is purely a question of a philosophical character the scientists are not necessarily any more competent than anyone else to give this definition. My understanding of the biochemical and medical evidence, is that the foetus is an actual human being from the beginning, but I recognize the matter is sufficiently in doubt that many hon. members look at the evidence differently.

It seems to me, however, that where scientific evidence is so inconclusive the presumption should be in favour of the foetus and against abortion. If the foetus is an actual human being, the direct killing of this human being would be a greater evil, at least in my scale of values, than any evil which might indirectly befall the mother. In doubt on a matter of such importance the presumption should be against abortion and the onus of proof on those who advocate it. This is an onus which I believe they cannot fulfil in the present state of scientific knowledge.

If this were the whole of the question before us I would be totally opposed to any abortion law reform. But I believe there are several practical considerations of a very important character which must be taken into account, as well as the theoretical considerations which I have advanced.

First, if it could be shown that reform would reduce the over-all incidence of abortion, thereby decreasing the incidence of the evil, this would justify reform. Statistics from other countries which have allowed abortion are not encouraging in this respect, however, and I could not in conscience, as I read these statistics, act on this basis.

A second consideration is that there are a large number of abortions being performed in Canada today outside hospitals and under medically unsatisfactory conditions which sometimes result in the death of the mother. If such abortions could be eliminated by reform of the law this would be a factor in encouraging reform. But again the experience of other countries, as I read it, is not encouraging.

Third—and it is only this consideration which persuades me that some measure of legal reform should take place—there are a large number of abortions now taking place in the hospitals of this country, performed by the best physicians and according to the best canons of medical practice; yet these abortions are all illegal and the practitioners are subject to criminal offences.

I strongly disagree with the hon. member for York South that the bill before us is merely a clarification of the present law. Section 237 as it stands is without qualification or exception. It reads:

> Every one who, with intent to procure the miscarriage of a female person, whether or not she is pregnant, uses any means for the purpose of carrying out his intention is guilty of an indictable offence and is liable to imprisonment for life.

• (2:50 p.m.)

There are no exonerating words of any kind. The Bourne case in England, which established therapeutic abortion in that country, was based on a different statute, different by only one word, unlawful, but it happened to be the word which the court fastened on to uphold therapeutic abortion. The word "unlawful" is not now in section 237. I submit that the law is as stated by Dr. J. J. Lederman, as set out in 1963 Criminal Law Quarterly:

> The law of Canada contains no provision for lawful abortions in any circumstances... Even where the life of the mother is threatened by the continuation of her pregnancy, and even when consultations are obtained confirming this threat to the mother's life, and even when all consents to the operation are obtained and valid, and even when the operation is performed by a qualified and registered doctor in a recognized hospital—even when all these conditions have been fulfilled, an abortion performed would appear to be, in the present state of the law, as much a crime as any "criminal" abortion.

I believe this clearly states the law as it is now.

The fact that the law now proscribes all abortions makes for a grave situation when probably at least half the people of Canada believe that abortion is morally right, and when abortion is freely carried out by the majority of the members of the medical profession involved in prenatal care. The difficulty is compounded when the Attorney General of the most populous provinces is reportedly on record that he will not prosecute violators of this law. When a conviction for an abortion as presently practised in our hospitals is so repugnant to a large number of Canadians that no prosecution takes place, I think we must admit that the law as it stands is completely unenforceable. If we were to allow this legislation to continue, not only would the law be dead in this area but disrespect for the law would be engendered and might go far toward breaking down respect for the law in general. In some part this has already occurred. The public good is not served by allowing this situation to continue.

I therefore reluctantly come to the conclusion that an absolute prohibition of abortion is no longer feasible. The proposed amendment is not a mere clarification of the present law. It is a reform of great moment. What it does is bring the law into accord with medical practice and popular expectation. For practical reasons I therefore am prepared to accept a limited degree of abortion.

[Mr. MacGuigan.]

I do, however, remain concerned about the language by which the proposed exception is to be recognized. In the light of my theoretical conclusion that there should be no change in the law, which I have varied only because of the impossibility of enforcing the present law, I believe it is incumbent upon us to define the amendment with extreme care. I am not persuaded that the bill now before us defines the exception with sufficient exactitude. I would prefer to see a recommendation that the danger to the mother's health should be a direct and serious threat. I therefore want to recommend in committee the insertion of the words which were in the report of the committee on health and welfare last spring: "seriously and directly impair the health of the mother".

With this qualification I accept the bill with enthusiasm. I believe it marks a great step forward in criminal law. I congratulate the Minister of Justice and his predecessor, the present Prime Minister, for their initiative in bringing it forward and in thus adjusting the law to the conditions of today.

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I think the bill before us is a most important one. I have listened to the debate fairly closely. I have agreed with some of the points made and have not agreed with others. May I say first of all that the bill is a far-ranging one. It certainly gives one who has not had too much practical legal experience, at least during the years I have been in the House of Commons, an opportunity to refresh one's memory on various parts of the Criminal Code and criminal law in Canada today.

I was glad to note in the remarks of my friend the hon. member for Calgary North (Mr. Woolliams) that the first code was adopted under Sir John Thompson, a native of my province, an outstanding leader of the Bar, and a parliamentarian who would have contributed even more to his country had he not been struck down after having served for a relatively short time in the parliament of Canada.

Many important points have been made in respect of this bill. Certainly one must look at it from his own point of view. Undoubtedly we will hear many speeches on the bill and will hear questions asked before the Standing Committee on Justice and Legal Affairs. As was pointed out by the hon. member for Calgary North, one's view depends a lot on the person himself, his upbringing, his religious background and his dealings with the public.

My remarks today will not be in line with the remarks of the learned member for Windsor-Walkerville (Mr. MacGuigan), although I am always interested in hearing a man who has his roots in Prince Edward Island, close to us across the Northumberland Strait. I enjoyed at least the first part of his remarks in which he gave the background of the criminal law of Canada.

My remarks on the bill will be more of a practical nature based on my personal experience in my dealings with the public not only as a parliamentarian but also as a lawyer before I entered this historic chamber. The Minister of Justice (Mr. Turner) in opening the discussion pointed out that this bill had received popular acclaim by the electorate of this country. I do not think that was the case. I do not think members were elected to this house on that basis. I will not go into the reason some of them were elected, although perhaps the Prime Minister had a part in that. The hon. member for Hamilton Mountain (Mr. Sullivan), pointed out that this was not the case and that this bill should be divided up to give members on both sides of the house the opportunity to vote according to their conscience on these important measures.

Some hon. Members: Hear, hear.

Mr. MacEwan: I believe a free vote is called for. I believe ample evidence to support this was given in the remarks of the hon. member for Hamilton Mountain and will be provided by other members who will speak on this bill before it is referred to the Standing Committee on Justice and Legal Affairs. The consciences of members will be tried in respect of the idea of morality and how far the law should go in dealing with Canadians. I will deal with that in my closing remarks.

I support the position taken by the hon. member for Calgary North as the leading spokesman for this party when he asked that the bill be divided. It should be divided in order to give members an opportunity to deal with these matters separately or at least in four different categories as set out by the hon. member.

I shall deal with some of the provisions contained in the bill. There is the matter of the breathalyzer test. Generally speaking, as a parent who has lived in an area where there have been a great many accidents during the last number of years, I certainly think the problem of the drinking driver must be looked into. I agree that perhaps it should be brought forward.

• (3:00 p.m.)

I am a little unhappy about this proposed section 224. At page 4720 of *Hansard* for yesterday the minister is recorded as having said:

> Under the bill the driver is not subject to a compulsory breathalyzer test unless at that time, or within the previous two hours, he has conducted himself in such a way that a peace officer, in the words of the bill, "would have reasonable and probable grounds" in arresting him for impaired driving.

The minister points out that the burden would be on the Crown to show this was the case. The bill goes on to state that if a driver does not take a test he must show a reasonable excuse for not doing so. If he cannot provide that reasonable excuse he can be fined and the conviction will be recorded against the individual. That is the part which bothers me. I think the committee should examine it closely. I believe the requirement to take a test infringes the civil rights of Canadians, I have grave doubts about it.

The Crown must prove that there was evidence of impairment before the policeman can ask an accused to take the test, but policemen, whether they be R.C.M.P. or local, are human. Under the law as it stands, the courts must decide what constitutes impairment. I understand the same conditions will apply under the amendment before the house. The idea of forcing an individual to take this test just does not sit right with me. When the committee is studying this provision I hope it will go into this aspect very carefully.

I am afraid I cannot fully agree with the amendments in respect of firearms. I do not agree with all the remarks of the hon. member for Yukon (Mr. Nielsen) in this regard, but he has his reasons and I have mine. This is why we suggest there should be a free vote in respect of the various parts of this bill. There were parts of the first amendment on firearms introduced by a former minister of justice to which objection was taken by gun clubs throughout the country. The minister has made some changes in this bill. These gun clubs encourage a good sport in this country. I know of one such club in my own constituency which trains people in the handling of firearms. Some of its members have competed at Bisley.

I have in mind individuals like the former member for Colchester-Hants and others. I am sure he would be one of the first to say that we should permit gun clubs in this country to carry out these activities. I am glad that changes were made. The minister has said that we cannot make any foolproof gun

law, and that is so. After reading about what is taking place in the United States I have come to the conclusion that difficulties are being experienced in Congress there, just as the minister experiences difficulties here. Certainly, I hope we will go into this matter carefully when the firearms part of the bill is being considered by the committee. We must have regard for the laws as they now stand. Certainly with the increase in crime in this country the matter of firearms control is most important. We must scrutinize it very carefully.

There are some parts of the bill in respect of lotteries with which I cannot fully agree. I think I am correct in saying that under the present law lotteries could be held on occasion for charitable or religious purposes. I recall having a little trouble a few years ago in this regard. A lodge commenced to run a bingo, that well known indoor and outdoor sport in at least eastern Canada, and I think western Canada. I am sure even the hon. member for Winnipeg North (Mr. Orlikow) has played bingo. The local authority felt that this was against the law and an action was commenced. In any event, the law in this regard has been in a questionable state. I hope the present legislation will clear up the doubt. Many organizations, including the Kinsmen clubs, as pointed out by the hon. member for Calgary North (Mr. Woolliams), sponsor bingo for charitable purposes.

Let me commend the minister for the measure in respect of harassing telephone calls. It has been my personal experience, since I have entered politics, that this type of call is becoming more prevalent. This has certainly been the case in my household. I hope in some way, as a result of this legislation, this type of thing can be stopped. I do not know how this can be done but I have read that telephone companies can trace calls. I do not know what might constitute evidence, but this is something that might be explained in the committee. I certainly support this part of the bill. I do not think any citizen, whether he be in politics or any other field, should be subjected to harassment through these calls. I know of this type of thing taking place, not only at my household but throughout my constituency. We will watch this necessary legislation closely.

The hon. member for Yukon and the hon. member for Calgary North spoke at some length about the matter of bail. I should like to refer to the matter of providing legal aid. I realize this is a costly proposition, yet in the province of Nova Scotia legal aid is being provided in one or two areas, including my own constituency. However, adequate provision is not made for legal aid. Many people come before the courts who are denied their rights, and not given the opportunity to defend themselves. I do not intend to mention any names, but I remember a pretty tough magistrate who grew up in the days when magistrates had to live on the costs they collected. These costs were directly related to the number of accused who either pleaded or were found guilty. After talking to some lawyers in my area, I discovered that on more than one occasion individuals who appeared before this magistrate without the benefit of counsel charged with fairly serious crimes were automatically sent on a trip to Dorchester penitentiary, even though it was the first time the individual had been before the magistrate. I think legal aid should be provided, and I hope that the federal government will give this matter some thought.

Officials of the province of Nova Scotia have discussed this matter and are undoubtedly in favour of providing legal aid. The provision of legal aid is costly but I hope something can be worked out between the federal and provincial governments. Canadians are entitled to be adequately defended before the courts. I am sure such a measure would receive the approval of the people of this country. The minister said in his opening remarks that he would be willing to make further amendments to our laws to keep abreast of the times. I hope he will give some thought to doing so in this regard.

• (3:10 p.m.)

As was pointed out by the Minister of Justice, some of the amendments really come under the Solicitor General (Mr. McIlraith). The amendments with regard to the Parole Board are most interesting. In the justice committee not long ago we heard evidence from the Solicitor General and the chairman of the National Parole Board. At that time the chairman of the National Parole Board pointed out that in the nine years and ten months the board had been in operation, parole had been granted to 23,000 inmates and 89 per cent successfully completed their parole. That is quite a record. He further pointed out that it was necessary for him to have additional staff and more members of the Parole Board. I note this legislation does just that; it increases the membership of the Parole Board from five to nine.

I think this is a good move, because the chairman of the board indicated to the committee if he had more members on the board, panels of two could be sent to the various provinces rather than have the board sit in Ottawa. Those panels could visit the various institutions of the country and interview inmates on the spot. As I say, this is a good move. It was further pointed out to the committee that putting people on parole means they are not a charge on the public. They contribute to our economy because they secure employment. I shall therefore have no hesitation in voting for this section of the bill.

Another matter falling within the jurisdiction of the Solicitor General has already been referred to, namely the expunging of criminal records. I do not know whether this matter will be dealt with in the proper way. In the last parliament the justice committee heard evidence on this subject. The Solicitor General has set forth his ideas on this question in a memo. He intends, by way of pardon, to expunge criminal records. As I understood it, it was not thought necessary to physically destroy these records, but they would be put someplace where they would not penalize a person in later years. I recall the case of a young man, a constituent of my friend the hon. member for Cape Breton-East Richmond (Mr. MacInnis), who applied to serve on the municipal council, but it was found he could not do so because of a criminal record going back many years. This certainly penalized him. I have read the Solicitor General's memo, and hope he will take action in this regard.

Mr. McIlraith: This legislation will be coming forward. Work is being done on it.

Mr. MacEwan: That is what I am suggesting should be done, Mr. Speaker. I am not saying that the Solicitor General, who has just come into the chamber, has not done his work; all I am saying is that this is a good step forward. Whether it is based on a pardon being given, or however it is done, it will be important to the people of this country. Canadians with a criminal record should not be penalized because of that record; they should be able to obtain employment the same as anyone else in this country. I am glad to hear the Solicitor General's comment. This is progressive legislation and in it the Solicitor General will work hand in hand with the Minister of Justice. These are two gentlemen who administer justice in Canada.

Another matter, and this was mentioned by the hon. member for Calgary North (Mr. Woolliams), is that of bail. He stated that it should be possible for those who are poor, as well as those who are rich, to obtain bail. I have seen instances in the courts where, although there were good and reasonable grounds for believing that a man would appear for his trial, bail was set at such a high figure it was almost impossible for the accused to raise it. I think that before long the Minister of Justice should look into the aspect of the law and bring forward changes in the code.

Several other matters were raised by the hon. member for Windsor-Walkerville (Mr. MacGuigan). Many other sections of the Criminal Code need to be amended in order to bring it up to date. I shall not go further into the clauses of the bill except to repeat that the speech of the hon. member for Hamilton Mountain (Mr. Sullivan), and other speeches which have been made, indicate that many of the clauses of the bill require the members of this house to examine their consciences.

The minister dealt with this question in his remarks. This is all the more reason the bill should be divided into its various parts. I make a final plea and ask the minister, who is a forward-looking Canadian in the younger age group when compared with other ministers opposite, to again take this suggestion that the bill be divided to the cabinet and his caucus. It has been pointed out that the bill will go to the committee and will be reported back to this house. Then, members will have an opportunity to vote on each and every clause. But the catch is, as I understand it, when third reading is given to Bill C-150 members will have either to say they are in favour of the bill or are not. They may have grave reservations about various parts of it. I do not think this procedure puts members in a proper position. I am glad that we in the official opposition will have a free vote on the Criminal Code. This is important because the code concerns every Canadian family and goes into every household in this country. We are in favour of a free vote. Let the government adopt the same attitude and make the necessary changes to this bill.

[*Translation*]

Mr. Gaston Isabelle (Hull): Mr. Speaker, Bill No. C-150 will certainly leave its mark in the history of Canadian parliament and for several reasons, the most important being the fact that it will show the Canadian people that Canada has come to a turning point in its history and that it is able at last to recognize

life as it is now, not on the basis of principles and theories but of facts. I know that this Bill No. C-150 can bring about a lot of apparent division but I do think that it is with a clash of ideas that we shall be able to enjoy in this house a greater unity since we agree on the principle but we do not seem to agree on the terms.

Actually, it is hard to understand what goes on when we want to introduce new things in Canada. We had the example of the flag and today those who were strongly opposed to it proudly wear a miniature flag on their lapels. When they travel in Europe, they are very proud of it. But think of all the speeches, of all the time it took before the adoption of an emblem which, to my mind, is essential to our national pride. Indeed, when we are abroad, what gladdens our hearts? The flag of our country floating on a mast.

Some hon. Members: Hear, hear.

• (3:20 p.m.)

Mr. Isabelle: Mr. Speaker, my speech will be essentially about abortion, and I shall leave the question of guns to warriors and hunters.

I shall leave the problem of lotteries to those who know that subject better than I do.

Finally, I shall leave bingos to those who have been organizing them for so long in Canada, knowing all the time of course that they were infringing the Criminal Code. But since in Canada, as usual, the central government, as it is called, has always taken a paternalistic attitude, it looked the other way and let parishes, charitable associations and benevolent societies get rich or to fill their tills. The aim was commendable at the time, and this is why one has no right today to tell the people that an existing situation will not be recognized.

This is why I say that many things will be remembered in history, including this famous bill which, fundamentally, tends to unite Canadians and to give them a better standard of living.

Mr. Speaker, I want to limit my remarks to the abortion problem, and I will go over the history of this famous controversy from the beginning. For the information of those who fear remorse, I must say that the law—as everyone says—is permissive. It is not compulsory and this is what makes the just society. It is to allow one's conscience to do what one can do, what one wants to do, what one must do or what one thinks one should do.

Moreover, as would say one hon. member who is an excellent lawyer, the change is not considerable in comparison with the former legislation, except that it is a little more precise. One admits that medicine exists in Canada and that it is the duty of doctors to take decisions concerning health. It is also said that it is the duty of doctors to perform these operations when the life of the pregnant mother is at stake.

This is why we speak of clarification. Indeed, there is no great change, not much is being done. The bill merely clarifies a point, and that, in essence, is what the whole chapter on abortion is about.

There has also been a great show of emotion. Some took great pleasure in using the words "life, health, woman, mother"; some even wondered whether it may not be possible for a man to give birth. That proves just how ridiculous things become when we start dissecting words. There is no single definition of health. I am not saying that there have not been several definitions of the word; I say there is no single definition on which everyone agrees. That is why the responsibility for taking that decision should be left to the medical profession.

Health is a lot of things which together make a man feel well. It is a feeling of well-being. Because a man has had both legs removed does not mean that he is not in good health. It is not the lack of something; it is a whole. So, I will not let anyone come and tell me that there is mental health on the one hand, and physical health on the other. It is true that both exist. But they cannot be considered separately. Some people are ill because they live in slums; others, because they eat or drink too much and suffer from gout, and so on and so forth. But that is not for lack of something. That is why I say that health is made up of a group of coexisting elements.

To cut short this preamble, Mr. Speaker, let me say that a few years ago, just to tackle the subject—this very old but also, paradoxically very new and modern subject of abortion—would have been a matter of high treason or, for a Catholic, a kind of apostasy. But things have changed a lot, as hon. member should know. Individuals have changed, everyone in his own way. Today, it has become possible to comment openly on any historical or other event.

That is why I feel at liberty today to deal with a subject of controversy all over the world, that of abortion. But this is something

that must be done. The best would be, as I said earlier, to take a quick sweeping glance at this burning issue.

Before discussing the problems facing us, we might perhaps have a look at artificial abortion, a practice which goes back as far as 4,600 years B.C. In those days, the reason for such a practice was to limit the number of children. Infanticide was sometimes practised, for the same reason.

The oldest known texts about abortion are those from Chaldea, and go back to 2,000 B.C. The Chaldeans had a penalty for the man who had beaten the daughter of a free man—as opposed to that of a slave—and who had messed up her innards. If the girl died, the daughter of the aggressor was put to death. Of course, penalties were always lighter when the woman was a slave.

In the eleventh century B.C. the Hittite code, in Assyria, provided a fine and flogging for a man responsible for the abortion of the daughter of a free man. If the husband had no other son, the aggressor was put to death. The woman who from her own free will, had committed abortion was impaled on a piece of wood and was denied a grave.

I tell you all this to show you the philosophy which has inspired all the countries in the world and led them to accept legislation on abortion.

There is no mention, in the Old Testament, of abortion practised intentionally.

The only reference made is to miscarriage: if men, while quarreling, knocked down a pregnant woman, thus causing a miscarriage, they were fined; the fine was decided upon by the husband of the woman—imagine that—and paid in front of the judges. In case of further accident the rule was: a life for a life, an eye for an eye, a tooth for a tooth, etc. In brief, the law of retaliation.

Egyptian texts do not show either any sign of prohibition.

In Gaul the woman is glorified. They are described as: "beautiful and well-proportioned, tall and fiercely brave, prolific mothers and excellent nurses, skilful in the fields and in gestation, sowing crops of children and wheat; in Gallic life they personified the ever-creating force while man was often simply the destroying force".

At the time the Gaul had the right of life and death over his wife and children—all the more that of destroying the unborn child.

Hippocrates, father of medical science, in his oath stated:

> I shall give poison to no one even upon request nor shall I take the initiative of such a suggestion; similarly I shall not give to any woman an abortion pessary.

However, Hippocrates went further and even advised midwives, giving them details of a preparation which could hasten the delivery of a child.

It must be noted that in Hipprocates' times, abortion was not punished since the foetus was not endowed with life.

A lot is still written today on the subject.

• (3:30 p.m.)

Athens followed the most ancient policy of democratically limiting population. Aristotle described this philosophy in these words:

> If a woman conceives beyond this determined number of times, she shall have to have an abortion before animation of the foetus, but it would be criminal to make an attempt on its life, as soon as it has received the breath of life.

Further on, Plato asked that abortion be made compulsory for women over 40. In ancient Rome, this type of abortion was widely practiced, but in a secret way.

About the end of the Republic and under the Empire, it seems that there was some craze for this type of abortion, which became then more and more frequent. It should be noted that in those days abortion on consent was not punished. As I said earlier, the foetus was part of its mother and there was no penalty as long as the child was embryonic or inanimated.

If we refer to those ancient times, Ovid stated that in Rome, women were considered as old at 25 or 30. Therefore, to keep their physical beauty and the nimbleness of their muscles, they should no longer conceive. They wanted to keep their bust young and attractive and their belly flat. However, the State reacted violently, and Cicero is quoted as saying:

> She is destroying the hopes of a father, the pillar of his name and his kind, the heir of his family and, for the Republic, a citizen to be.

He was then referring to a woman sentenced to death for abortion. In the light of the increasing popularity of abortion, severe measures were enforced but still that offence often went unpunished. We had to await the influence of Christianity to see the enactment, under Septimus Severus, 200 years after Christ, of severe repressive sanctions

against the woman guilty of voluntary abortion, like death penalty, corporal punishment and temporary exile, because it would be outrageous for a women to deprive her husband of the hope of a posterity with impunity.

In the Middle Ages, Christianity, from the outset, was hostile to abortion. Foetus, as soon as it is conceived, is an immortal being, to stop pregnancy would then be tantamount to killing him without baptism.

Then, there was the era of Saint Thomas Aquinas and his master, Albertus Magnus, who both maintained that the soul was directly created by God, and that it was infused into the embryo, not on the day of conception, but when the embryo was formed enough to receive it.

In the 13th century, Pope Innocent III, in his encyclical letter *Sicutex Litterarum*, termed abortion of an animated foetus a homicide, but there was no mention of a lifeless foetus. Pope Gregory XIV, in his encyclical letter *Sedes Apostolica*, also excommunicated only those who were found guilty of abortion of a foetus, after the first movements of life had been felt in the womb of the mother, which is supposed to be on the 116th day of pregnancy.

Saint Alphonse of Ligori said, and I quote:

> Those who say that foetus is animated at the moment of conception are mistaken.

It seems that there were not only saints and popes who did not agree on the concept of life beginning at the moment of conception. Many pagans were also under the impression that life did not begin at the moment of conception.

Aristotle contended that the male or the man—this for those who would not understand—received a soul 40 days after conception, whereas the woman got one 80 days afterwards. I wonder why.

It was said that before such well-defined periods, there was only a kind of vegetative life. The Islamic law discriminated in the same way and stated that life began only 180 days after conception. A fine was the punishment for the provoked miscarriage of a non-viable foetus; the death penalty was the punishment for the expulsion of a viable foetus, whether it were alive or dead.

Let us recognize that current legislation is far from up to date.

Mr. Speaker, in the light of this historical review, we have realized that the question of abortion is not new, but has been a subject of public discussion since the most remote past.

As far as we are concerned in Canada today, let us say that the most important provision of the Canadian legislation on this matter is section 237 of the Criminal Code, which reads as follows:

> (1) Every one who, with intent to procure the miscarriage of a female person, whether or not she is pregnant, uses any means for the purpose of carrying out his intention is guilty of an indictable offence and is liable to imprisonment for life.
>
> (2) Every female person who, being pregnant, with intent to procure her own miscarriage, uses any means or permits any means to be used for the purpose of carrying out her intention is guilty of an indictable offence and is liable to imprisonment for two years.
>
> (3) In this section, "means" includes
>
> (a) the administration of a drug or other noxious thing,
>
> (b) the use of an instrument, and
>
> (c) manipulation of any kind.

The Criminal Code also imposes a penalty on whoever illegally provides or procures a drug or other noxious substance or an instrument to be used to provoke a miscarriage, when he is aware of this ultimate purpose. The Code goes even further and prohibits all publicity relating to such means, and I quote:

> —commits an offence who knowingly, without lawful justification or excuse offers to sell, advertises, publishes an advertisement of, or has for sale or disposal any means, instructions, medicine, drug or article intended or represented as a method of preventing conception or causing abortion or miscarriage.

In addition to the abortion offence, described in section 236, the legislator has provided another provision which deems it to be a criminal offence to kill an unborn child. This text differs from section 237 in that the latter prohibits illegal intervention while section 209 provides for the punishment of a person convicted of destroying a foetus. It is to be noted, however, that in subsection 2 of section 209 the legislator enters a reservation in respect of the principle outlined in the first subsection. This reservation is most important since it opens the door to legal therapeutic abortion in certain cases.

In the Canadian legislation as it is now, the so-called legal abortion rests on two essential conditions: it must be practised in good faith, and only if the continuance of pregnancy is an immediate danger to the mother's life. But anyone can do that. Today, the same thing applies to planning: medicine is therefore responsible for these things.

For several years, however, Canadian and British courts have been interpreting the

reservation in subsection 209 (2) of our Criminal Code so that it is now generally accepted that to preserve the life of the mother, one does not have to wait until she is in immediate danger of death. In that connection, is there anyone responsible for the treatment of people, who can remain idle when bleeding is heavy and the mother's life is in serious danger before deciding to practise abortion, knowing that the mother is dying?

Those who never had such responsibilities may well speak of principles and theories, but if they had been through as much as those who are responsible for treating sick people, they would never have spoken as they did in the house and in the committee.

In the numerous cases which came before the courts, it was explained that preserving the woman's health meant preserving her physical as well as her mental health, because health is one and indivisible. It is not the absence of one thing.

Despite this liberal interpretation—I am not talking of the party—of the legislation, it is believed in various Canadian circles that this sole ground for legal abortion does not take into consideration today's realities and conditions.

According to certain medical associations in Canada, since nearly all abortions are prohibited by law, thousands of Canadian women may be prompted to resort to criminal abortion. Let me explain. In general, public opinion does not condemn abortions practised for reasonable motives—I would call them, to put my thought in concrete form, therapeutic abortions—as it was the case before. In fact, the main effect of the present act, as of the legislation that prohibits birth control advertising, is to establish class distinctions.

• (3:40 p.m.)

Well-to-do and well-informed women can usually get an abortion from a competent surgeon in sanitary and safe conditions, or even go to a country where abortion is legal; in Japan, for instance, it will cost her $2,000. She will remain in hospital there for a week, and on her return, everything is all right.

However, less fortunate women may have to resort to the services of dubious, illiterate, irresponsible quacks, whose methods will cause infection. It is estimated that in Canada up to 50,000 abortions are being performed yearly, and a great number of them result in death or in a serious disease.

And at this stage I must add that the passage of the legislation now before us, will not help to bring down the rate of criminal abortions. This is not a valid argument, because we know that the implementation of the bill will not bring about such a result. Indeed, it is not the purpose of this legislation. Its aim is to authorize therapeutic abortions.

At its annual conference in 1966, where the idea originated the Canadian Bar Association—passed a resolution proposing the legislation on abortion for three specific reasons, thus allowing doctors to perform abortion whenever they deem it absolutely necessary, without running the risk of being sued. This is the whole philosophy of the section on abortion and the general council of the Canadian Medical Association, numbering about 25,000 doctors, has already taken a similar stand and approved a recommendation regarding therapeutic abortions.

The two main professional groups: doctors and lawyers, who are most concerned with this problem in Canada agree on the need for reform and according to the Canadian Medical Association secretary, Dr. Peart, the council hopes that the recommendation will become law so that under certain circumstances, abortion may be authorized. Here are the circumstances referred to by the Canadian Medical Association:

Firstly, when abortion is procured by a qualified medical practitioner duly authorized, after consultation with a therapeutic abortion committee, appointed by a hospital, and subject to the approval of the latter.

Secondly, if such abortion is procured in the above mentioned circumstances in a public hospital of active treatment. Such an operation can only be performed in a suitable place.

Thirdly, if it is performed with the written consent of the patient and that of her husband or guardian, when the committee deems it advisable.

In addition of all cases where the life or the physical or mental health of the mother are in danger, the Canadian Bar Association would like to add two other grounds for legal abortion. Therefore, the resolution includes the following two reasons: when pregnancy is the result of a criminal offence rape or incest, and when there are high risks of physical or mental disability for the child. Under the present legislation, the victim of rape or incest cannot legally resort to abortion.

On January 24, 1966, a bill was introduced in the house and passed on first reading. Everybody knows that the purpose of that

bill was to ratify, with the assent of both houses, a situation that courts had been accepting for several years, and to ensure some measure of protection against criminal proceedings taken against members of the medical profession who were responsible for performing such operations.

The bill does not extend the grounds upon which a pregnant woman may resort to abortion, but an interesting point is that it takes up again generally the Canadian Medical Association's recommendation, especially with respect to the conditions under which abortions must be performed.

Interruption of pregnancy under circumstances outlined in Bill No. C-150 was also included in the recommendation of the report submitted to the Board of Directors of the Ontario Medical Association by its therapeutic abortion committee, which was approved by the Board thereafter. It should be said however that this bill is not binding yet, that the matter is under consideration, and that it will be taken up again by the committee.

In the United States, between one million or one million and a half women are aborted every year, but only 8,000 would be eligible for legal abortion. About 5,000 women die every year as a result of illegal abortions.

But still more astonishing is the fact that 80 per cent of women applying for abortion are married women who have children and are still living with their husband.

According to a recent survey made in the United States, 71 per cent of the women wanted to see the law changed, that is, they were in favor of therapeutic abortion in some very specific cases. I shall not go into the details of penalties for illegal abortion in the United States. Suffice it to say that the law, in the State of New York, for instance—which is one of our neighbour states—is somewhat similar to ours.

As for the mental health of the mother, it is clear that the law will take it into account. However, in the United States and in Canada, the judgments passed on different cases have caused doctors to believe that sexual crimes—rape and incest—the victims of which are young girls, can provoke mental illnesses that would justify abortion.

Here again, it is not for me to go into the details, since it is a very complex subject which would require too many explanations. Let us say, however, that psychiatric causes have become more and more important in this field, at least during the last years, and that, in the United States at least, closer consultations between surgeons, doctors and psychiatrists seem to be the thing. That is why, in many cases, a doctor will make an operation with the advice of one of these doctors.

In any case, it seems that in the United States an important change of attitude is being felt and becomes more and more obvious in relation to this famous problem of abortion.

In England—we have often copied closely British laws—a bill was adopted on the 27th of October, 1967, and came into effect six months later. However, I must say that for us, Canadians, the bill on abortion that was adopted in England would be unacceptable.

In England, I believe, the penalty for such a crime was one of the harshest in the world. With this new legislation, however, Albion is going to be the most liberal of all countries, where abortion is concerned. Abortion can be granted for almost any purpose including cramped lodgings, poverty, inadequate salary, high salary, etc. that is the way the cookie crumbles nowadays in England. Good grief!

In France, the punishments inflicted for criminal abortion make a very long story. In the days of the galant Charlemagne, abortion was punished by death if the foetus had started moving. As you may observe, the same basic principle applies: when the foetus moved, the sentence was death; when the foetus was inanimate—the soul having not yet entered the body—the sentence was much more lenient.

• (3:50 p.m.)

Let us add—surely that will be remembered—that under the Vichy regime, even in the 20th Century, the death penalty was imposed on professional abortionists. Abortions were put on the same footing as sabotage and treason.

The law now in force in France is enunciated in section 317 of their penal code, and it reflects in substance an old article of that Napoleonic Code of 1810, which imposed imprisonment and hard labour as well on the woman as on the abortionist. That act was amended in 1864 to provide that, where an attempted abortion failed, neither the woman nor the agent who had obtained the instruments would be penalized. In 1920, new amendments were made and the words "for the sale" or "the putting on sale" of abortion drugs or instruments, even if they were not used or did not succeed, were added. The laws have become so awkward that today, in France, conservatism prevails in that field;

there has been neither progress nor regress; it seems that the *status quo* is to be maintained. Some of the members in this house want to leave things as they are.

Still, it should be noted that although the original text of section 317 of the French penal code did not contain any provision on therapeutic abortion, a text was introduced in 1939 which reads as follows:

> When the life of the mother is seriously threatened and demands recourse to such therapy as might interrupt the pregnancy, the doctor in attendance must of necessity consult two of the doctors . . . who, after examination and discussion, will attest that the life of the mother can only be saved by means of such intervention—

That provision has been in force in France since 1939.

In spite of this, illegal abortions are still widespread in France. That is nothing new. However, public support seems to favour more liberal laws on abortion, although it has failed to alter the official position which still advocates restrictive laws and their strict application.

Germany substantially amended section 218, initially enacted by the 1871 Imperial Decrees of Germany which carried capital punishment for those involved in illegal abortion. The whole of that Imperial legislation was gradually amended, and with the emergence of Hitler and the Nazi party in 1933, the penalties for abortion were made extremely harsh to the extent of providing for capital punishment in 1943 if the guilty party "had continuously"—and pay attention to this—weakened the vigour of the German race. It was a matter of eugenics, and the Nazi system would not allow abortion except for therapeutic reasons, which was for the first time legally recognized in Germany. And those new reasons were limited to the safeguard of the mother's life or health, and to reasons of eugenics which the new courts had to apply in connection with the "hereditary health".

One can see that almost everywhere in the world, legislation such as the bill before us has been enacted long before we are asked to do so. This bill takes into account the circumstances of our Canadian society and it does not include reasons of eugenics or merely social and economic reasons as is the case in England.

At the end of the war, the Control Commission legislation replaced the German Criminal Code, and capital punishment was abolished, while the therapeutic abortion was retained. But except for those changes, the general provisions of the 1926 legislation, as I said earlier, were restored.

We may say that theoretically Switzerland also has its legislation on abortion. It is considered a criminal offence involving a prison term. However section 120 of the Criminal Code allows therapeutic abortion when it is necessary to save the life of the mother or when her health is threatened. But for the last 15 years the number of abortion legally induced on women, Swiss or foreign (mainly French women), seems to have increased considerably owing to the large number of women coming from foreign countries and to the abuses resulting from that situation, in certain hospitals and clinics in Switzerland. For a few years there has been a tendency to give a very narrow interpretation of the legislation particularly of the section relating to the danger for the woman's health.

In the Soviet Union, let us say that the history of legalized abortion has been marked by two sudden changes of attitude by the government. Around 1936, Russian doctors began to denounce some undesirable secondary effects of abortions. Therefore, the Russian government reversed its stand on two occasions. Nowadays, this is rather fantastic. While abortions, even for therapeutic reasons, were prohibited and all grounds for abortion were restricted, divorces became more and more difficult to obtain. Under Stalin, as we all know, it was sought to increase the population. All remaining laws were then abolished.

However, it is interesting to note that twenty years later, in November 1955, the Soviet Union, following a further change in attitude, established for the second time an extensive program of legal abortions. But we are told that such operations are still being frowned upon.

Sweden, the promoter of several experiences in the field of social reform, was in 1938 the first Scandinavian country to pass a legislation on abortion, the liberal provisions of which took up most of the recommendations made in 1935.

It is needless to refer also to the legislation in Japan which is too vague. It is especially based on eugenics.

Mr. Speaker, I have tried to give a general outline of the history of abortion throughout the world. I did so for the following reason: Every country in the world has sooner or later in its history passed some pieces of

legislation, often strict and at times too lenient, but most of the time, those countries have returned to a happy medium, to a fair sense of proportion, which is exactly what Canada is now advocating today under Bill C-150.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Before the next speaker is called, who I believe will be the member for Winnipeg North, (Mr. Orlikow), could we have an understanding on the plans for today? I have spoken to the chief government whip and he sees no objection to continuing this debate instead of having private members hour, in order to have one or two more speeches.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): Is it agreed that we waive the hour reserved for private members business and proceed with the order now under debate.

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): I want to excuse myself to the hon. member for Winnipeg North (Mr. Orlikow). I have an appointment at four o'clock. My parliamentary secretary will listen to the hon. member's speech and I will read it. I hope the hon. member will not interpret my absence as an affront.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this bill was proposed in its original form by the Prime Minister (Mr. Trudeau) when he was the Minister of Justice, and is now being brought forward by the present Minister of Justice (Mr. Turner). This bill has been depicted to members of parliament, the press, radio, television and the public of Canada as a revolutionary bill, a bill to bring the criminal law into the second half of the twentieth century.

This bill includes sections which are improvements that will begin to modernize the Criminal Code, but to suggest that it is indeed very radical is to misread the entire bill. The bill fails to deal with some of the most important matters which the Prime Minister proposed in his Charter of Human Rights when he met with the provincial premiers in February of 1968. This bill, Mr. Speaker, is brought forward by a Liberal government which people expect to be progressive, expect to be liberal with a small "l". It does not meet the recommendations of the royal commission appointed by the Premier of Quebec, Mr. Bertrand, when he was the minister of justice, the first report of which was brought forward this week.

Those of us who do not come from Quebec have been trained, or I might say brainwashed, to believe that the Liberals are really liberal, with a small "l", and that the Union Nationale represents those conservatives with a small "c" who hold reactionary views when it comes to social matters. Yet if one compares the recommendations in this first report of the royal commission with this bill we are dealing with today, one can see how small the steps, how picayune the proposals being put forward in this bill by this Liberal government.

I would like to quote from today's *Globe and Mail* in which some main thoughts of the Quebec royal commission are summarized.

• (4:00 p.m.)

The article reads:

> The report said Quebec does not have an overall justice policy and calls for basic reforms of laws and law enforcement so as to purge the province's system of justice of its tendency to be repressive rather than rehabilitative.

I submit, Mr. Speaker, that what this newspaper says about Quebec is true of our system of justice in every part of Canada.

> The commission report rejected as retrograde the prevailing practice in which punitive aspects of the law take precedence over the possibility of rehabilitation.

That is true not only of Quebec but of every other province in the country. Here are some of the things I commend to the Minister of Justice (Mr. Turner) and the government because they are not even mentioned in these omnibus amendments to the Criminal Code:

> Abolition of the bail system, or if that is not possible, a reform which would allow a person to go free while awaiting trial with only a pledge to forfeit a certain sum if he does not show up for his trial;

That has been proposed by a number of hon. members but obviously it is missing from these draft amendments.

> A new system of fines which would take the income of the accused into account and which would allow him to make payments on an instalment basis rather than in a lump sum.

The hon. member for Yukon (Mr. Nielsen) has talked about the difficulties which Indians have. Hundreds of Indians go to jail because they cannot pay the $15 or $25 fine which the judge metes out as a sentence. This proposal

would give them the chance, which most other citizens of Canada have, of avoiding a jail term.

> The separation of the process of delivering verdicts and handing out of sentences so that judges would continue to pass judgment, but sentences would be imposed by panels of social scientists using the possibility of rehabilitation as a criterion;

Is there anything like that in this omnibus bill? Of course there isn't. When you compare the proposals of this government with the proposals of a Commission appointed buy a Union Nationale government, you can see that this government's proposals are far from being very radical or very revolutionary.

The Prime Minister's (Mr. Trudeau) proposals to the provincial governments, contained in his Charter of Human Rights, were greeted with great approval by the press and T.V. media. There was a great deal of merit in them. Some of us realize that to implement his Charter of Human Rights would require an amendment to the constitution and that such an amendment cannot be obtained without the unanimous consent of the provinces. Unfortunately, Mr. Speaker, that consent has not yet been forthcoming and I doubt that it will be forthcoming in the near future.

The idea of entrenching the basic human rights and freedoms of Canadian citizens in a Bill of Rights is not a new idea. It was proposed years ago by the former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker). It was proposed by the former Dean of the Law Faculty at McGill, Professor Frank Scott, and by many other people, but we have not yet been able to achieve that objective.

What were some of the things which the Prime Minister proposed in his Charter of Human Rights and which, because of the objections of some of the provinces, have not yet been implemented? I will quote from some of the press comments at the time. I read from the Ottawa *Citizen* of February 2, 1968:

> An accused person's right to a lawyer during police interrogation would be established by the proposed constitutional Bill of Rights.
>
> The judicial ruling now accepted is that even where counsel is denied, evidence obtained during questioning is admissible.
>
> Not only would the new proposal outlaw the admission of such evidence in a criminal trial but would invalidate convictions "if they cannot stand in the absence of inadmissible evidence."
>
> Even now a person taken into custody has the right to remain silent. But many persons do not know it and often make admissions to police which might not be made if a lawyer was present during questioning.

Many members of parliament have spoken in other debates about the fact that we have one law for the rich and one law for the poor. There is no question that people who have money can afford a lawyer. There is no question that they usually know they are entitled to have a lawyer. There is no question that professional criminals know that they have a right to a lawyer and will refuse to be questioned by police until their lawyer is present. But, Mr. Speaker, there are thousands of ordinary citizens who have never been in trouble with the law previously and they do not know their rights. In many cases when they are questioned by police admissions of guilt are obtained which probably would not be obtained if they had counsel present. That goes on all the time. Let me refer to just two cases that come to mind.

I am thinking of the case of Steven Truscott. It is not my intention today to discuss the guilt or innocence of Steven Truscott but to my knowledge there has not been one challenge of the facts related by Mrs. LeBourdais in her book. She states that when the police came to the conclusion Steven Truscott, a boy of 13 or 14 years of age, might be implicated in the rape and murder which they were investigating, they came to his house. His parents were not present. They took him to the police station and they began to question him.

Some time later his parents came home and found that he had been taken to the police station. They went to the police station and there they were told to wait in an anteroom. The police questioned that boy, who was later charged with murder and rape, for five or six hours without legal counsel being present. I suggest that is a perversion of the most elementary right to justice which any person in Canada has.

I have here a quotation from a column by Ron Haggart in the Toronto *Star* of July 27, 1966, discussing the case of two girls, one of them a resident of Ottawa. I do not know whether her parents are voters in the constituency of the Minister of Justice or in the constituency of the Solicitor General (Mr. McIlraith), but they may well be.

This girl and another girl were before a magistrate on a charge of vagrancy. As usually happens in a magistrate's court they had no counsel. I would like the Solicitor General to listen as I read just about ten lines from the transcript of the case to show how the magistrate conducted the so-called trial. I think in fairness I should mention that the

magistrate was Magistrate D. F. Graham, and that the case was heard in Toronto on May 31, 1966. Here is part of the transcript:

Magistrate: You have a family in Ottawa; are you prepared to get on the bus and get back to Ottawa?

Ann: No. I can get a job.

Magistrate: You haven't got a job, that is the point.

Ann: Yes I have.

Magistrate: Are you prepared to stay with the Salvation Army for a week?

Ann: Why?

Magistrate: Because I say so, that is why. We are not going to have you girls come to the city—

Ann: Well—

• (4:10 p.m.)

Magistrate: Listen to me when I am talking! I don't have to listen to you, do you understand? I am not your father and I am not somebody on the street, I am the magistrate in charge of this court and you have two choices—to do what you are told, or go to jail, do you understand that? That is your position now. Evidently you were wandering about without any home.

I suggest two things in this regard. First of all, that kind of talk by a legal officer of a court is the kind of talk one might expect in Fascist Germany or Communist Russia. I suggest further that no magistrate would dare use that kind of language if the person appearing before him were represented by counsel. Yet that kind of thing goes on all the time. I believe the government should have included in this omnibus bill a section to deal with the right to counsel.

I am interested in this subject. Several years ago the United States Supreme Court went into this question in great detail. A ruling was brought down which spelled out the right of every person to counsel. This right to counsel did not apply only to appearance in court but to the period during which a person may be interrogated by the police. My colleague the hon. member for Greenwood (Mr. Brewin) had a member of his firm draft a bill which would spell out this right. I have placed a notice on the Order Paper in respect of that bill. I suggest that the Minister of Justice look at that bill. It is Bill C-189, an act to amend the Canada Evidence Act. I will read one of the relevant clauses:

54. No statement shall be admissible in evidence against its author in any criminal proceeding if such statement was made while its author was in the custody of a person in authority unless prior to making such statement its author was duly warned by a person in authority that

(i) he was not obliged to make any statement, and

(ii) if he voluntarily chose to make a statement, it would be taken down in writing and may be given in evidence and,

[Mr. Orlikow.]

(iii) he was entitled to counsel and that if he could not afford counsel, one would be assigned to act on his behalf if he so desired.

It is not a very complicated subject. If this government means what it has been saying, if it really believes in a just society, I suggest that this bill should include the basic right of every citizen in this country to have counsel. That provision ought to be implemented now, not later as the Minister of Justice suggested it might be.

There is another important clause which I think is omitted from this omnibus bill; that is a clause assuring the right of every citizen to privacy. This clause should prohibit, if not completely at least except under very stiff conditions set forth in the law, wiretapping and electronic surveillance. The Prime Minister, in the brief which he submitted following his publication of this charter on human rights spelled out such a provision. I should like to quote from the Ottawa *Citizen* of February 2, 1968:

The right of the citizen to privacy from snooping would be included in a draft for a Canadian Charter of Human Rights, Justice Minister Trudeau told reporters.

The same thing is spelled out in detail in the Charter on Human Rights. The Prime Minister made clear that he is opposed to wiretapping. This subject has been discussed in this house and outside this house recently. There is now no question that wiretapping goes on in this country fairly extensively. Recently an article appeared as a supplement to the Canadian *Bar Review* in which this fact was spelled out. The article by Stanley Beck listed cases in respect of which there was complete evidence that wiretapping had been carried on. Also there was the inquiry by the royal commission in Vancouver, B.C. which revealed evidence that wiretapping had been carried on by a private investigator who was recommended by officials of the R.C.M.P. to the person who wanted the wiretapping done. When the royal commission wanted to bring before it witnesses from the R.C.M.P. in Vancouver, the Solicitor General forbade their appearance using the official Secrets Act as his reason for not permitting the members of the R.C.M.P. to appear. This is a fact which I am sure cannot and will not be disputed by anybody who knows that has happened.

There was wiretapping in Saskatoon. Some years ago, as reported in the Saskatoon *Star Phoenix*, evidence was produced that the only telephone that people incarcerated in the town jail could use had been tapped to permit

the police to listen in on their conversations. The police would, of course, be able to hear the telephone call which the prisoner might make to his lawyer in which he might make the most incriminating admissions. Then, there are the recent cases in Toronto, including the case in which one or more magistrates were investigated on the basis of evidence obtained because the police had been listening to the telephone calls of a man they suspected of being involved with the underworld. This was done not for one hour or one day but for two months. For two months, the police had been listening to the telephone calls of Victor Alexander. It was on that basis they obtained information in respect of the magistrate or magistrates who were later put on the carpet.

It may be that wiretapping and electronic surveillance is necessary. I am not a lawyer and I have never been a policeman. It seems to me, however, that it is the duty of the police, the attorneys-general of the provinces, the minister of justice, or the Solicitor General of this government, if electronic surveillance and wiretapping is necessary to combat crime, not to ignore what has been happening. The way to do it is to write into the law exactly what they want. If we want to give the police the right to wiretap, then let us say so in the law. If we want to put limitations on that right and say before the police can listen in on somebody's telephone line they must get an order from a supreme court judge, a judge of the county court or a magistrate, and state the reasons, then let us say so. If we want to follow the example of Great Britain where the police must go to the Home Secretary and explain exactly why they want this right, then let us do it in that way. I say that it seems incomprehensible that we would permit wiretapping to take place. It is not only the police who are engaged in wiretapping. Industrial espionage goes on every day of the week.

• (4:20 p.m.)

Drug companies spy on other drug companies and oil companies spy on other oil companies. I am told that wiretapping is used frequently by one of the parties to a marriage who may want a divorce in order to get evidence against his or her partner. This is the kind of thing that goes on and these are the invasions of privacy against which the Prime Minister has spoken so eloquently and frequently. That being the case, why is there no clause in this bill either outlawing wiretapping or defining the conditions under which it can be carried out?

I suggest to the Minister of Justice that if his officials are having difficulty in drafting such a measure he should consult with the hon. member for York-Scarborough (Mr. Stanbury). If he is not talking to him these days he should look at Bill C-24 which is entitled "An act to amend the Criminal Code (Control of electronic eavesdropping and wiretapping)". This bill was submitted by the hon. member for York-Scarborough and given first reading in this house on September 20.

I am not one who is particularly suspicious of motives. I do not believe that the hon. member for York-Scarborough was anything but sincere in respect of this question when he proposed this bill. I do not believe for a moment that this hon. member, who has spoken in and out of this house about the inequities of wiretapping, did not really mean what he said. I am sure he is really disappointed that the basic principle contained in this bill does not appear in the form of a clause in the omnibus bill. I have news for the Minister of Justice and the hon. member for York-Scarborough. We believe the hon. member's bill is so good that at the appropriate time we propose to move an amendment to add an additional clause to this omnibus bill which will be based on the basic principle contained in Bill C-24. I hope when we move that amendment the hon. member for York-Scarborough and the Prime Minister will be here so that they will be able to vote for that amendment. We are going to give them a chance to put their votes where their mouths are.

I should like to speak about something else contained in the Charter of Human Rights about which the Prime Minister spoke so eloquently and which is conspicuously absent from this bill. Let me quote again from an article reporting on the Prime Minister's briefing in respect of the charter of human rights. This article appeared in the Ottawa *Citizen* on February 2, 1968 and it reads:

> The main additional legal right proposed in the government's white paper would be a guarantee against unreasonable searches and seizures.
>
> "At present in Canada" the white paper stated, "evidence obtained not only by means of an unreasonable search but by actual illegal means (theft, for example) is generally admissible in the courts.

There are many people who are much more knowledgeable in the law than I who could, and I am sure will, give precedents for this.

One of the main cases in connection with wiretapping involved this principle. The police in Toronto had a search warrant and went into a house to make a legal search. While they were there they installed a listening device. They listened in on conversations which took place in that house during a period of 24 hours and they illegally obtained evidence which they used to charge and convict an individual. The judges were disturbed but they ruled that even though the evidence had been obtained illegally it was proper to use it in the courts in order to convict that man.

The United States Supreme Court has very clearly ruled that evidence obtained illegally cannot be used to prosecute a person in court. I suggest that kind of a clause ought to be included in this omnibus bill. Such proposal was made by the present Prime Minister when he was the minister of justice, and it ought to be in this bill.

Following a federal-provincial conference at which there was no agreement that we should proceed with a constitutional amendment, the Prime Minister was asked whether he would consider carrying out those things he had enunciated by amending the Criminal Code. He said he would prefer not to because it would be much better to put them into the constitution. I agree with that, but it may be another ten, fifteen or twenty years before the provinces will agree to a Charter of Human Rights. I suggest that the time to do something is now. Let me commend to the Minister of Justice that slogan used so effectively for so many years by the national employment service in respect of winter works. Every winter we saw on billboards across the country the message, "Why wait till spring, do it now".

In introducing this bill the other day, the Minister of Justice said that at some later date he would be prepared to bring in a bill to implement some of the things to which I have referred. There is no reason for waiting. The matters I have raised have been discussed for a long time in legal circles, in parliaments and in legislatures. There is no reason for delaying; we ought to do this now.

In the few minutes left to me today, I should like to deal briefly with one or two very controversial matters supposedly dealt with in this bill, and about which there has been a good deal of discussion both inside and outside this house. I am sure there will be a lot more discussion as this debate continues about abortion and homosexuality.

[Mr. Orlikow.]

It is not my desire today or at any other time to question the rights of those people who disagree with the provisions of this bill or with me when I say I do not think it goes far enough, I think they have every right, as does every Canadian, to reject the proposals of this bill on the basis of religion, morals or codes of ethics. Every Canadian should have the right to make up his mind on these questions and base his judgment on conscience. I respect anyone for doing so.

It seems to me that the present proposal on abortion will do very little. I wish the hon. member for Hull (Mr. Isabelle) were here because I should like to pose a practical question which in all likelihood can only be answered by a doctor. The figures I have seen concerning the number of illegal abortions performed in Canada each year are fantastic. They vary from a low of 75,000 to a high of 300,000 per year. I do not suppose anybody knows the actual number, but it is certainly large.

Let us suppose a young girl of 15 or 16 found herself pregnant. Let us suppose also that this part of the bill is made law. If that girl went to one, two or three doctors, whatever the law requires, and said that she was pregnant, that she would have to stay at home or meet the scorn of her schoolmates and the community which would have an adverse effect upon her health, do you really think that the one, two or three doctors would feel they had the authority under this law to approve the legal abortion? I do not think so. Will a married woman of 43 or 45 who has two or three children in their upper teens and suddenly finds she is pregnant, who feels that she really is not physically or psychologically equipped at that age to have another child, be able to get a doctor or two doctors, on the basis of the danger to her health physically or mentally, to approve a legal abortion? I doubt it.

• (4:30 p.m.)

It seems to me, therefore, that much of the debate we are having in this chamber on the question of abortion is to a large extent theoretical and irrelevant. A large number of abortions have been performed legally every year for many years, as other members of parliament have said, by very well qualified doctors, in the best hospitals in every city in Canada. These will continue. There have also been thousands of illegal abortions. I believe that this provision which, if we pass it will become the law, will not change the actual situation one iota.

There has been a good deal of discussion about homosexuality. Maybe the very fact that we can discuss it openly is a sign that people in Canada are finally beginning to face up to the realities of life. We can think what we want about it. We can agree with the old fashioned people who say that it is unnatural, it is a perversion or whatever you want to call it; or we can take the view of the most permissive, the most understanding, modern psychiatrists. The fact is that, like it or not, homosexuality does exist.

Will the proposal in this bill really change anything? I am no expert, but I commend to the Minister of Justice a book which came out in the last week or so, "Sexual Deviations in the Criminal Law." This book was commissioned by the Clarke Institute of Psychiatry, probably the largest and most influential institute of its type in Canada. It was written by Alex K. Gigeroff. What does this book say? It says that a study of 60 prosecutions which took place in one year in Toronto, of people accused of homosexual acts, showed that 59 of those prosecutions would not have been affected at all by this change in the law. Why? Because all the offences were committed in public places, in parks and other places. I do not have to go into that. In fact, under the law as it stands now we have not been prosecuting people and finding them guilty of homosexual acts committed between adults in private. Therefore, I do not believe this change in the Criminal Code will really do very much. It may take away from those people who are homosexuals the fear they may be blackmailed. I cannot see any other effect that this change in the law will have. That is very important, certainly. But again I say that this clause of the omnibus bill, which has been greeted by so many people as being a really forward-looking piece of legislation which will change, if not the mores the attitude of the Canadian people to something that has been going on, I suppose since the dawn of time, really will not mean very much.

My time is almost up, Mr. Speaker. I want to finish by urging the government and the Minister of Justice not to take the attitude which I think they are going to take, namely, that this bill contains everything which this parliament and the Canadian people are willing and ready to accept. I say to the Minister of Justice that the people of Canada, perhaps not the police or the R.C.M.P., are prepared to accept a law which will prohibit or at least limit wire-tapping in this country. The magistrates may not like it.

I remember recently a Toronto magistrate complaining in court that it was three o'clock in the afternoon and he still had half of his cases to hear; that before the Ontario bar and the Ontario government provided legal aid he would have disposed of all his cases before lunch. He was complaining bitterly. I am not too worried about the magistrate. I think the people of Canada would welcome a section in the Criminal Code which would spell out the right of every citizen to have counsel.

I finish on this note, Mr. Speaker. I think the people of Canada are ready to be at least as progressive as the citizens of the United States, who have said to their Supreme Court that evidence obtained illegally cannot be used to prosecute and convict a person accused of having committed a crime. I commend these thoughts and principles to the Minister of Justice. I hope that before we have concluded this discussion he will bring in amendments implementing these three points which were promised by the Prime Minister when he was minister of justice. We have a right to at least expect that the Prime Minister will implement the promises which he made to the people of Canada.

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, it is with pride that I rise to speak in support of the omnibus bill, a bill which represents the first major revision of the Criminal Code in many years. The remarks made by the previous speaker about eavesdropping and wire-tapping legislation are, I submit, really irrelevant in a discussion of this bill. I commend to that member the wisdom of the Minister of Justice who is treading extremely carefully, with caution and research, into this complicated and difficult problem.

This problem involves electronics; it does not merely involve rules of evidence. It requires the control of electronic equipment, something that should not be hastily thrown into a complicated bill such as this amending the Criminal Code. I commend the Minister of Justice for wisdom and sagacity in not acceding to a last-minute attempt to pile this question into a bill which will require considerable attention, in detail, in the justice committee of this house. Already we have many sections of a long, carefully studied, brilliantly thought out statute to consider at the committee stage.

It is my sincere belief that while the legislation referred to by the last speaker is desirable, it requires more careful consideration and deliberation among the attorneys general

of the provinces and the Attorney General of Canada (Mr. Turner). I heartily endorse this bill and urge the members of the house to vote in favour of it. It brings into effect many badly needed humanitarian reforms in the spirit of the just society.

• (4:40 p.m.)

It was inspired by our brilliant Prime Minister (Mr. Trudeau) and drafted under his supervision when he was Minister of Justice. It was endorsed by the people during the last election and I therefore submit it is ready for serious consideration in committee, then speedy adoption.

The hon. member for Calgary North (Mr. Woolliams) suggested yesterday that the bill be split. Splitting of hairs is not desirable. Many of the provisions in this legislation have already been studied by a committee of this house and I therefore consider that making those provisions the subject of separate reports could lead only to delay in their implementation. I am pleased the house has decided to leave the bill as one unit for discussion. I anticipate, with respect, that there will be unanimous agreement in the committee on many of these issues and that the controversial matters for consideration will be restricted to three or four only. These, it is true, will require time for patient study, and I am sure they will receive it in this house.

The hon. member for Winnipeg North (Mr. Orlikow) complained that we on this side were delaying matters. The opposite is true. Speaking as one who has had 18 years of trial experience in the courts I believe, as, I am sure do other hon. members, that the wire tapping aspects of this legislation should be given careful consideration and that the necessary time should be accorded to such a study.

I commend the Minister of Justice on the able manner in which he spoke yesterday outlining the bill. In discussing some of the provisions I should first like to refer to the proposals in connection with firearms. I believe these provisions relating to firearms and defensive weapons will lead to a greater measure of public safety for the Canadian people. These are times of turmoil and strife, and it is a fact of life that assemblies and riots can take place unexpectedly, in unexpected quarters. I submit the wisdom and leadership shown by the Minister of Justice in bringing down this forward-looking piece of legislation is particularly apropos at this time.

[Mr. Gibson.]

With respect to driving offences, the spirit of the legislation before the house is summed up by the principle "if you drink, don't drive." The hazards of modern highways compel the exercise of strong control over drinking drivers. The government has had the courage to move in this direction. The presence in the bloodstream of .08 per cent of alcohol will henceforth be considered evidence of impairment. This is tough law, but it is realistic 20th century law in an age when cars are one of mankind's greatest dangers.

With respect to the question of conscience which a number of hon. members have raised, I submit it is hypocritical for anyone to suggest that this bill, or certain aspects of it, should be subject to a free vote. The Canadian people have already endorsed this legislation and it would be a mockery of democracy if the government were to wash its hands of responsibility and say: we shall leave this question to the consciences of individual members. The conscience of the people will be satisfied when the government carries out the mandate which was given to it on June 25 to bring in this forward looking legislation as speedily as possible.

In any event, I feel confident that most members of the house will support at least the greater part of the provisions contained in this omnibus bill. With respect to the proposals concerning abortion, I commend the Minister of Justice for introducing the provision that when the life or health of the woman concerned is in danger, abortion may legally be carried out. I feel strongly that the woman should be in control of this situation. I would go further, myself, and allow abortion on consent. However, I am prepared to support this bill as an important step forward toward the just society. I believe the bill is humanitarian in spirit and in fact, and that this country will be a greater country once this legislation has been passed.

Another significant amendment deals with harassing telephone calls. I am sure almost every member of parliament will be glad to see this clause enacted. The subject of cruelty to animals is also dealt with. These provisions appeal to the hearts as well as to the minds of all Canadian people and represent a forward step. The proposed restrictions on the publication of evidence adduced at preliminary inquiries bring to mind a number of trials which have been spoilt by injudicious publicity in the press.

In the past, great injustice has been caused to individuals by the adverse effect of such publicity. The steps now taken to deal with this situation represent a great advance. I feel the government party is virtually united in connection with all these provisions, and we seek speedy implementation of them.

Mr. Bell: Well, Mr. Speaker, it has been a long week, particularly when one thinks of that Wednesday night session, and hon. members, including myself, seem to be a little tired. I wonder whether Your Honour could say it is five o'clock and I could move the adjournment of the debate?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): It being five o'clock this house now stands adjourned until 2 p.m. on Monday and I wish hon. members an enjoyable and less wet weekend.

Mr. Knowles (Winnipeg North Centre): The same to you, sir.

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

HOUSE OF COMMONS

Monday, January 27, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

PROCEDURE

FILING OF NOTICE ON DAY SITTING IS SUSPENDED—RULING BY MR. SPEAKER

Mr. Speaker: As hon. members know, last Thursday the government house leader announced the anticipated order of business for this week and, in accordance with his forecast, Wednesday and Thursday were set aside for the purpose of considering an opposition motion.

A question of procedure has arisen in that under a special order of the house the sitting is suspended tomorrow, Tuesday, January 28, in order to enable hon. members to participate in the work of the various standing committees.

Subsection 4(a) of Standing Order 58 provides as follows:

> Twenty-four hours' written notice shall be given of an opposition motion on an allotted day or of a notice to oppose any item in the estimates.

The question that has arisen is whether or not the notice referred to in the Standing Order can be filed on a day when the sitting of the house is suspended. In my opinion it is open to hon. members to file their notices tomorrow or, indeed, on any day when the sitting of the house is suspended as distinct from being adjourned. I would advance the following reasons for adopting this attitude.

In the first place, the Standing Order itself states that 24 hours written notice shall be given. A similar provision is also to be found in subsection 5 of standing order 75 for the filing of notice of amendments to be considered at the report stage of bills. It seems to me it should be open to hon. members to file notices of their questions for the order paper and notices of motions or bills they may have in mind; and, generally, it should also be open to the government to file their notices without losing the day. There is also the desirability of placing hon. members' questions on the order paper, so that it may be circulated to the various government departments concerned without unnecessary loss of time.

In reaching this conclusion I would make the general observation that the house is not in adjournment; its sitting is merely suspended so that hon. members may attend to their committee responsibilities.

In order to conform with the proposed changes *Votes and Proceedings* will be printed tomorrow in a revised format. There will be no order paper on Tuesday, but Wednesday's order paper and *Hansard* will be renumbered to reflect the new procedure.

• (2:10 p.m.)

HUMAN RIGHTS

COMMISSION TO ENSURE COMPLETE EQUALITY OF TREATMENT

Mrs. Grace MacInnis (Vancouver-Kingsway) moved for leave to introduce Bill C-161, respecting Human Rights.

Some hon. Members: Explain.

Mrs. MacInnis (Vancouver-Kingsway): This act applies to every person engaged in any work, undertaking or business that is within the legislative authority of the parliament of Canada. Its purpose is to ensure him complete equality of treatment as a person regardless of race, creed, colour, sex, nationality, ancestry or place of origin, whether in employment, in residential or business accommodation or in access to other facilities or services customarily available to the public.

This act is designed to further, in Canada, the Declaration of Human Rights determined by the United Nations and marked by Human Rights Year in 1968.

A human rights commission should be set up to administer this act. It should consist of two divisions, one to consider complaints and studies on the basis of sex, the second on the basis of the other listed headings. However, as it is not within the rights of a private member to propose measures involving government expenditures, such a proposal cannot be included in this act.

Motion agreed to, bill read the first time, and ordered to be printed.

Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

DEPARTMENT OF INDUSTRY PRESS RELEASES

Question No. 760—**Mr. Howard (Skeena):**

1. Does the Department of Industry issue documents which are of the nature of press releases, press communiques, news releases or the like and, if so, how many such documents have been issued since July 1, 1968?

2. What has been the cost of (a) printing headings or cover sheets (b) typing the stencils (c) mimeographing or other form of duplicating (d) collating and stapling (e) addressing and mailing the said documents?

3. With respect to the paper used for the said documents, what is (a) its quality (b) the quantity used and the cost thereof?

4. What is the estimate of the number of man-hours consumed in the preparation, production and distribution of such documents?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. Yes; 18.

2. (a) $30; (b) Nil; (c) $153; (d) $189; (e) $89.10.

3. (a) White Bond, Substance 32M, 16 pound; (b) 102,000 sheets; (c) cost $255.

4. 106 estimated.

TRADE AND COMMERCE PRESS RELEASES

Question No. 774—**Mr. Howard (Skeena):**

1. Does the Department of Trade and Commerce issue documents which are of the nature of press releases, press communiques, news releases or the like and, if so, how many such documents have been issued since July 1, 1968?

2. What has been the cost of (a) printing headings or cover sheets (b) typing the stencils (c) mimeographing or other form of duplicating (d) collating and stapling (e) addressing and mailing the said documents?

3. With respect to the paper used for the said documents, what is (a) its quality (b) the quantity used and the cost thereof?

4. What is the estimate of the number of man-hours consumed in the preparation, production and distribution of such documents?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. Yes. 59.

2. (a) $666; (b) Nil; (c) and (d) $2,052.32; (e) $1,168.20.

(3) (a) No. 7 bond; (b) 307,355 sheets 8½ x 11 cost included in 2 (c and d).

4. 840.

LEASE AGREEMENTS WITH PRIVATE DEVELOPERS

Question No. 777—**Mr. Schreyer:**

1. Were any premises leased since January 1, 1966, in the City of Ottawa for use by departments of the Government of Canada, left unused for a period greater than one month during the term of the lease?

2. If so (a) what was the term of the lease and for what length of time were such premises left unused (b) in what buildings were such leased premises left unused, what area was involved and what was the lease price per square foot?

3. Has the Government of Canada, either through the Department of Public Works or otherwise, entered into lease agreements with private developers for the leasing of buildings in the Ottawa area yet to be constructed?

4. If so (a) what number of buildings are thus involved, what is the area in square feet thus contracted for, and what is the price per square foot agreed upon (b) what are the names of the buildings involved either under construction or planned for construction, and who are the owners in each case?

Hon. Arthur Laing (Minister of Public Works): So far as the Department of Public Works is concerned: 1. Yes.

2. Listed on next page.

3. No.

4. Not applicable.

Building	Term		Rental rate P.S.F. per annum	Vacant Area
	Commenced	Expires		
			$	
Old Canada Permanent..... Trust Building 42–48 Sparks St.	Oct. 1/67 Apr. 1/67	Sept. 30, 1971	2.40	approx. 12,000 square feet vacant—two months.
Booth Building..... 165 Sparks St.	Apr. 14/1967	Feb. 29, 1972	3.87	approx. 6,000 s.f. vacant July 67 to May 1/68. 1,000 s.f. May 1/68 to Nov. 15/68.
Rideau Club..... 10 Metcalfe St.	Oct. 1/68	Sept. 30, 1969	2.25	approx. 5,088 s.f. vacant 2 months at old rate $1.99 per sq. ft.
Canada Life Building..... 75 Sparks St.	May 1/66	Apr. 30, 1967	3.00	Approx. 600 sq. ft. vacant 2 months.
National Building..... 130 Slater St.	Dec. 15/67	Mar. 31, 1977	2.50	Approx. 3,000 s.f. on 6th flr. for 6 months.
	Apr. 1/67	Mar. 31,1977	4.62	
Burnside Building..... 151 Slater St.	Apr. 29/67	Apr. 30 ,1969	4.95	approx. 700 s.f. since lease commencement to May 31/68.
Copeland Building..... 294 Albert St.	July 1/67	June 30, 1977	4.18 5.00 2.50	Total space approx. 50,000 s.f. progressive occupancy from June 1967 to Aug. 1967, fully occupied Aug. 30, 1967.
Sir Wilfrid Laurier Bldg.,... 340 Laurier Ave.	June 1/1967	Sept. 30,1980	3.15	Average vacancy of 70,000 s.f. for four months. 5,200 s.f. on 3rd & 8th flrs. May 1968 to 15 Nov. 68.
Grant Unsworth..... 322 Catherine St.	Oct. 16/67	Oct. 31,1972	2.05 3.75	approx. 2,363 s.f. office area since lease started.
Beamish Building..... 1501 Carling Ave.	Nov. 10/1967	Nov. 30,1972	3.22	approx. 22,558 s.f. vacant April 30/67 to July 26/67 at old rate of $2.36.
Sperry Gyroscope..... 45 Spencer St.	Jan. 1/67	Dec. 31,1970	2.69	approx. 22,000 s.f. vacant Jan. 1/67 to Aug./67 400 s.f. vacant Aug. 15/68 to Nov. 15/68.
Royal Ottawa Sanatorium.. 1145 Carling Ave.	Jan. 1/68		$1.00 per annum plus cost of services.	2,730 s.f. vacant until Sept. 1, 1968.
Kent-Albert Bldg..... 150 Kent St.	Jan. 1/68	Jan. 31, 1968 M to M	4.00	approx. 7,325 s.f. on 9th flr. vacant September 30/68 to Nov. 15/68.
Nicol Building..... 331 Cooper	Dec. 5/66	Nov. 30, 1967	3.89	approx. 4,850 s.f. 7th flr. May 1/68 to Aug. 16/68 approx. 2,224 s.f. 7th flr. Aug. 16/68 to Nov. 15/68.
Jelnor Building..... 175 Nepean	Apr. 1/68	Mar. 31, 1978	3.50	approx. 4,788 s.f. ground flr. June 1/68 to Nov. 15/68.
Holden Building..... 147 Albert St.	Jan. 1/68	Mar. 31, 1973	3.16	approx. 7,968 s.f. in basement 1st, 3rd, & 6th flrs. Aug. 1/68 to Nov. 15/68.
Molot Building..... 168 Charlotte	July 14/1966	July 31, 1968	3.15	
	Dec. 12/1966	July 31, 1968	3.25	approx. 800 s.f. June 1/68 to July 15/68.

Questions

CRIMINAL CODE—PRESSURE RESPECTING BILL

Question No. 789—**Mr. Matte:**

1. Are any organizations exerting pressure upon the government to promote adoption of the omnibus bill?

2. If so, what are the names of these organizations?

3. On which of the three points, homosexuality, divorce or abortion, are the pressures strongest?

Hon. John N. Turner (Minister of Justice): 1. No. A number of submissions have been received from various organizations expressing either support for or opposition to particular provisions of Bill C-195 which was given first reading on December 21, 1967.

2. Examples of organizations which supported in principle the provisions of that Bill relating to drinking and driving are: Greater Winnipeg Safety Council; Canadian Association of Chiefs of Police; Royal Automobile Club of Canada; Corporation of the City of Winnipeg; Resolution of Legislature of Province of Manitoba; Manitoba Medical Association; Saskatoon Committee for Better Legislation re Driver Impairment; Women's Auxiliary of the Alcohol Research and Education Council; Ontario Women's Christian Temperance Union; Alcohol Education Service (Manitoba); Saskatchewan Conference of the United Church of Canada; Ontario Temperance Federation; United Church Women (Hamilton Conference); Saskatoon Central Women's Christian Temperance Union; Lutheran Ministerial Association of Saskatoon; Robert E. Malkin, Vancouver.

An organization which supported the provisions of Bill C-195 relating to homosexuality is the Religious Society of Friends, Vancouver Monthly Meeting.

Examples of organizations which made submissions in regard to abortion are: Emergency Organization for the Defence of Unborn Children, Toronto; Medical Students Society, McGill University; Ontario Women's Christian Temperance Union; Foyers Notre-Dame Canadiens, Montreal; Knights of Columbus (various regions across Canada); Filles d'Isabelle (various regions in Quebec); L'Association feminine d'Education et d'Action Social, Montreal; Association for the Modernization of Canadian Abortion Laws, Ottawa; Catholic Women's League of Canada (various regions across Canada); Ontario English Catholic Teachers' Association; Le Club de L'Age d'Or de Longueuil, Quebec; Sisters of St. Joseph, Ottawa (supporting brief of Catholic Bishops of Canada); Ottawa Committee for the Defence of Unborn Children, Ottawa; Mouvement des Femmes Chretiennes (various regions across Canada); Canadian Abortion Law Reform Association, London, Ontario; L'Association Feminine de l'Union Nationale du comte de Sherbrooke, Sherbrooke, P.Q.; Association des Bureaux Medicaux des Hopitaux de la Province de Quebec Inc., Montreal (various local councils); Le Groupe d'Action Catholique Rurale de St-Boniface, P.Q.; Association des Parents Catholiques, St. Romuald, Levis, P.Q.; Martha Circle, Knox Presbyterian Church, Ottawa; University Women's Club, Edmonton, Alberta; Saskatchewan Council of Catholic Nurses; Board of Evangelism and Social Service, United Church of Canada, Toronto; Hull-Gatineau Action Committee Against Abortion; Humanist Association of Canada, Montreal; The Pentacostal Assemblies of Canada, Toronto; Mouvement des Travailleurs Chretiens, Secteur de Grand-Mere, Grand-Mere, P.Q.; Federation de l'A.F.E.A.S. de Nicolet & St. Malo, P.Q.; Alliance for Life, Hull, P.Q.

Examples of organizations which made submissions in regard to the provisions of Bill C-195 relating to firearms are: Shooting Federation of Canada; The Dominion of Canada Rifle Association; The Canadian Wildlife Federation; Canadian Affiliation of Gun Owners; Ontario Revolver Association; Quebec Handgun Association; Alberta Arms and Cartridge Collectors Association; South Vancouver Island Rangers, Inc.; Canadian Historical Arms Society; Nova Scotia Handgun Association; New Brunswick Rifle Association; British Columbia Wildlife Federation; Manitoba Provincial Handgun Association and various local shooting and game and fish organizations.

3. Divorce was not dealt with in Bill C-195. More submissions were received in regard to the matter of abortion than in regard to the matter of homosexuality.

ALOUETTE 1 CANADIAN SPACE SATELLITE

Question No. 878—**Mr. Schreyer:**

1. What was the cost of construction of the Alouette I Canadian space satellite and what was its launching cost as paid to NASA?

2. What was the total cost of construction of Alouette II and of this amount, how much was paid to private contractors and to whom?

3. What was the cost of launching Alouette II?

4. What was the cost of Canada's purchasing a 3½% interest in INTELSAT and since 1964 has Canada spent additional sums in this venture?

5. If so, how much?

6. What was the cost of construction of the Canadian communications ground receiving station at Mill Village, Nova Scotia?

7. Does Canada receive any revenue from renting any of the foregoing facilities to domestic or foreign corporations?

8. If so, how much in each case?

Hon. Eric W. Kierans (Postmaster General): 1. The construction of the Alouette I satellite cost $3,100,000.

The U.S.A. paid for the launching of Alouette I; hence the Canadian government does not know the precise cost; but it is estimated at about $9,500,000.

2. The total cost of construction of the Alouette II satellite was $3,932,400, of which $1,206,000 was paid to private contractors. The prime contractor was RCA Victor, Montreal with DeHavilland Aircraft Ltd. of Toronto as associate contractor.

3. The U.S.A. paid for the launching of Alouette II, hence the precise cost of the launching of Alouette II is not known to the Canadian government but it is estimated at about $10,500,000.

4. Based on original estimates of $200,000,000 U.S., as made by the parties to the agreement signed at Washington on August 20, 1964, Canada's 3.5 per cent investment share in INTELSAT could increase to $7,000,000 U.S., depending on the capital requirements for the system as it evolves. Canadian Overseas Telecommunication Corporation is Canada's designated operating entity and its investment in the project as at September 30, 1968, amounted to $4,025,484 Canadian.

5. See answer above.

6. Construction costs of the experimental communications satellite earth station at Mill Village amounts to $11,785,240.95.

7. Yes, to a foreign entity, namely, the Communication Satellite Corporation, Washington, D.C.

8. As a temporary measure, pending the introduction of a new earth station in the U.S.A. which is now completed and the launching of a further satellite over the Atlantic Ocean in the near future, Canadian Overseas Telecommunication Corporation, which has custody of the station, is leasing facilities at Mill Village to the Communications Satellite Corporation of the U.S. and, up to September 30, 1968, received rental on that account amounting to $1,602,800 Canadian.

DEPARTMENT OF FISHERIES PRESS RELEASES

Question No. 917—**Mr. Howard (Skeena):**

1. Does the Department of Fisheries issue documents which are of the nature of press releases, press communique, news releases or the like and, if so, how many such documents have been issued since July 1, 1968?

Questions

2. What has been the cost of (a) printing headings or cover sheets (b) typing the stencils (c) mimeographing or other form of duplicating (d) collating and stapling (e) addressing and mailing the said documents?

3. With respect to the paper used for the said documents, what is (a) its quality (b) the quantity used and the cost thereof?

4. What is the estimate of the number of man-hours consumed in the preparation, production and distribution of such documents?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. Yes; 159.

2. (a) $219.88; (b) nil; (c) $176.64; (d) $676.74; (e) $2,813.

3. (a) No. 7 bond; (b) 101,000 sheets at a cost of $234.16.

4. 1170.

*CAPITAL MURDERS SINCE PASSAGE OF MEASURE

Question No. 938—**Mr. Fairweather:**

Since the Criminal Code amendment abolishing capital punishment for a five year trial period was assented to 21 December, 1967 (a) how many capital murders have been committed in Canada (b) how many persons have been sentenced to life imprisonment?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): The Dominion Bureau of Statistics reports that murders are tabulated according to the year in which they are reported by the police to the bureau.

From December 21, 1967 to November 30, 1968 (latest date for which information is available), 233 murders were reported by police to the bureau. Two of these were capital murders involving the killing of police officers and have not yet been disposed of by the courts. Of the remaining 231 murders nine persons have been sentenced to life imprisonment, up to November 30, 1968.

AID TO OFFSET CAPITAL COSTS

Question No. 942—**Mr. Robinson:**

Is the federal government contemplating any direct financial aid to municipalities to offset the capital cost of (a) hospitals (b) facilities (c) equipment?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): No.

EDMOND JOLY, LOTBINIÈRE—PURCHASE OF PROPERTY

Question No. 971—**Mr. Lambert (Bellechasse):**

Did the federal government, before September 1, 1967, make an offer of purchase to Mr. Edmond

Joly, of Lotbinière, for his property located in the constituency of Lotbinière and consisting of a large area of forest and, if so, what was the amount offered?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Yes. $700,000 was offered for the large tract of forest land plus several smaller adjacent parcels.

C.B.C.—FREE POLITICAL TIME

Question No. 982—**Mr. Fortin:**

1. How much free time on the two National networks did the Canadian Broadcasting Corporation grant to each political party during the official period of the 1968 Federal Election?

2. What was the total value of that time, based on the rates then in force?

3. How much free time did the Canadian Broadcasting Corporation grant to the candidates of each party during the 1968 Federal Election?

4. What was the total value of that time, based on the rates then in force?

5. What was the CBC's policy concerning political broadcasts during the 1968 election campaign?

6. Will the CBC submit a report on political broadcasts made during the 1968 election campaign and, if so, will this report be laid before the House?

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC as follows: 1. The CBC allocated free time for political broadcasts by federal political parties during the federal election campaign as follows on each of the English and French TV and radio networks:

	TV	RADIO
Liberal	1 hr. 30 min.	1 hr.
Progressive Conservative	1 hr. 15 min.	50 min.
Social Credit	15 min.	10 min.
Raillement Créditiste	15 min.	10 min.
New Democratic Party	45 min.	30 min.
TOTAL	4 hrs.	2 hrs. 40 min.

2. The CBC does not sell time for political broadcasting and does not normally attempt to place a monetary value on such broadcasts. However, if commercial rates in effect at the time of the last federal election campaign were applied to the network free time allocated, the cost to each party would have been approximately as follows:

	TV		RADIO	
	CBC-owned Stations	Privately-owned Affiliates	CBC-owned Stations	Privately-owned Affiliates
Liberal	$25,177	$ 39,263	$ 5,074	$11,366
Progressive Conservative	20,980	32,720	4,228	9,472
Social Credit	4,196	6,544	846	1,894
Ralliement Créditiste	4,196	6,544	846	1,894
New Democratic Party	12,588	19,632	2,537	5,683
TOTAL	$67,137	$104,703	$13,531	$30,309

3. Free time for political on individual CBC stations is allocated to the parties active in the area served by each station and the parties arrange for their local candidates to appear. The total time allocated locally during the 1968 election campaign was as follows:

	TV	RADIO
Liberal	13 hrs. 33 min.	16 hrs. 49 min.
Progressive Conservative	14 hrs. 2 min.	15 hrs. 20 min.
Social Credit	1 hr. 28 min.	15 min.
Ralliement Creditiste	1 hr. 22½ min.	15 min.
New Democratic Party	10 hrs. 59½ min.	15 hrs. 55 min.
TOTAL	41 hrs. 25 min.	48 hrs. 34 min.

4. If commercial rates in effect at the time of the last federal election campaign were applied to the local free time allocated on individual CBC stations, the cost to each party would have been as follows:

	TV	RADIO
Liberal	$12,362	$ 780
Progressive Conservative	11,985	738
Social Credit	2,567	28
Ralliement Créditiste	1,793	— FM (Commercials not accepted)
N.D.P.	9,789	733
TOTAL	$38,496	$2,279

5. CBC policy for network free time political broadcasts, agreed upon by each of the parties, was for 40 per cent of the available periods to be allocated to the party in power and the balance to be divided by all-party agreement. This resulted in the following breakdown of periods on each of the English and French TV and radio networks:

	TV	RADIO
Liberal	6	12
Progressive Conservative	5	10
Social Credit	1	2
Ralliement Créditiste	1	2
New Democratic Party	3	6
TOTAL	16 periods	32 periods

In addition to the network periods individual CBC stations provided free time locally to political parties active in the areas served by these stations, the time being divided by agreement among the parties.

6. A CBC report has been prepared for the Canadian Radio-Television Commission, in accordance with CRTC circular letter No. 149 dated May 16th, 1968.

QUEBEC—REFORESTATION AGREEMENT

Question No. 1,022—**Mr. Lambert (Bellechasse):**

Has an agreement been signed between the federal government and the Government of Quebec on reforestation programs in which people on welfare would participate and, if so (a) has the date on which these programs will begin been set (b) in what part of the Province will these programs be carried out?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Yes. (a) October 1968; (b) In various areas of the nine eastern counties of the Lower Gaspé and Ile-de-la-Madeleine.

COMPANY OF YOUNG CANADIANS—RESIGNATIONS FROM COUNCIL

Question No. 1,031—**Mr. Schumacher:**

1. How many persons have resigned from the Provisional Council of the Company of Young Canadians, since the establishment of that Council?

2. What are their names and, in each case, what were the reasons given for resignation?

3. Has the Government established a Permanent Council for the Company of Young Canadians and, if not, for what reasons and when is it proposed to establish a Permanent Council?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Company of Young Canadians as follows: 1. 12.

2. Mr. Alan Clarke; Mr. Duncan Edmonds; Mr. Richard Thompson; Mr. Lloyd Shaw; Mr. Normand Asselin; Miss Juanita Westmoreland; Mr. Arthur Pape; Mr. Rodolphe Lafresnaye; Mr. William Rompkey; Mr. Marc Lalonde; Mr. Roger Tessier; Mr. Gordon Selman.

The letters of resignation were submitted in confidence and as such it is up to the individuals concerned to indicate their reasons for resignation. The Company will be happy to provide addresses if requested.

3. No. Discussions have been held concerning the move towards a Permanent Council and it is hoped that the necessary steps will be taken this year according to the agenda of the Company.

*PERSONNEL ON EDUCATIONAL TELEVISION TASK FORCE

Question No. 1,041—**Mr. Dinsdale:**

1. What are the names and addresses of those serving on the first stage of the Task Force on Educational Television?

2. What functions do they perform on the Task Force?

3. Have provincial representatives been appointed to the Task force and will all provinces be consulted?

4. What is the schedule of the Educational Television Task Force, specifically when will the "first stage" procedures be concluded?

5. Will legislative action to establish a Canadian educational broadcasting agency be introduced before the report of the Educational Television Task Force is received?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. Mr. Jules Léger, Under Secretary of State, Ottawa, Chairman; Mr. Gilles Bergeron, Post Office Department, Ottawa; Mr. D. S. Thorson, Ottawa; Mr. Michael Pitfield, Privy Council office, Ottawa; Mr. Ivo Krupka, Privy Council office, Ottawa—Secretary; Mr. George Miedzinski, C.R.T.C., Ottawa, head of the study group.

2. The task force is to study all aspects of this subject in order to assist the government in fulfilling its undertaking to facilitate the development of adequate broadcasting facilities to meet provincial requirements for the transmission of educational programmes.

3. (a) No; (b) Yes.

4 and 5. It is the intention of the government to introduce legislation during the present session. The research and work programme of the task force will be proceeding

in line with the policy objectives outlined in the statement which I made to the house on October 24, 1968.

[*English*]

EMPLOYMENT OPPORTUNITY FORECASTING

Question No. 1,051—**Mr. Broadbent:**

1. Does the Department of Manpower and Immigration undertake economic forecasting on employment opportunities in Canada?

2. If so, (a) what are the Department's forecasts for employment opportunities in Canada, and in the five main regions of Canada, i.e., British Columbia, the Prairies, Ontario, Quebec and the Atlantic Provinces, in the next three months, six months and twelve months (b) what are the Department's forecasts of unemployment rates, seasonally adjusted, for Canada and for the five main regions of Canada, i.e., British Columbia, the Prairies, Ontario, Quebec and the Atlantic Provinces, in the next three months, six months and twelve months?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Yes. These forecasts are for internal purposes only and are not released to the public.

2. N/A.

*ACCESS TO NATIONAL GALLERY

Question No. 1,096—**Mr. Dinsdale:**

1. Is the National Gallery open to the Public seven days a week?

2. Has a decision been taken to close the Gallery to the Public on one day each week (a) if so, on what day (b) for what reason?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. Yes. It is closed on Christmas Day.

2. No. (a) Not applicable; (b) Not applicable.

[*English*]

*ACCESS TO NATIONAL MUSEUM

Question No. 1,097—**Mr. Dinsdale:**

1. Are all branches of the National Museum open to the public seven days a week?

2. If not, which branches are on less than a seven day program and on what days are they closed?

3. What is the reason for the part-time operation?

Hon. Gérard Pelletier (Secretary of State): 1. All branches except the Museum of Science and Technology operate on a seven day week, closing only on Christmas Day.

[Mr. Pelletier.]

2. The Museum of Science and Technology is closed on Mondays.

3. The heavy program of public participation, including that of the schools, requires a free day a week for maintenance of plant and exhibits.

REQUEST FOR WHEAT BY IVORY COAST

Question No. 1,104—**Mr. Godin:**

1. When was the Canadian Government visited by the representative of the Ivory Coast who submitted a request for a shipment of wheat?

2. Did this visitor have identification papers?

3. Has there since been any official correspondence between the two countries on this matter?

[*Translation*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Canadian government was visited during late November by a representative of the Ivory Coast (of whose credentials the government was satisfied) who submitted a request for a quantity of wheat as food aid. Subsequently there were exchanges between representatives of the two governments concerning the details of this request.

[*English*]

WHEAT SHIPMENTS TO NIGER

Question No. 1,106—**Mr. Godin:**

Did the Canadian Government recently send 20,000 tons of wheat to Niger on one of that country's ships?

[*Translation*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): The vessel which carried 18,705 metric tons of wheat for Niger was of Norwegian registry and under charter to Saguenay Terminals Ltd. of Montreal.

[*English*]

INTEREST RATES AND PROFITS OF CHARTERED BANKS

Question No. 1,109—**Mr. Beaudoin:**

1. What were the interest rates of each of the chartered banks, for each year since 1956?

2. What were the net profits declared by each chartered bank, for each year since 1956?

Hon. E. J. Benson (Minister of Finance): 1. The rates of interest charged by each bank on its loans and paid by each bank on its deposits are not available for the period 1956-1968. The average rates charged on all loans

and the average rates paid on all deposits were as follows:

	Rate of Average Loan Income	Rate of Average Deposit Interest
	%	%
1956	4.84	1.08
1957	5.25	1.48
1958	5.11	1.52
1959	5.34	1.64
1960	5.59	1.81
1961	5.43	1.81
1962	5.42	1.99
1963	5.42	2.12
1964	5.56	2.23
1965	5.59	2.35
1966	6.01	2.63
1967	6.17	2.83
1968	6.99	3.45

The interest rate on prime commercial loans in Canada and on Canadian personal savings deposits do not usually vary significantly between individual banks. These two rates have been reported as follows at the end of each year in the period:

		Prime Loan Rate	Personal Savings Deposit Rate
		%	%
end	1956	5½	2½
	1957	5½	2¾
	1958	5¼	2¾
	1959	5¾	2¾
	1960	5¾	2¾
	1961	5½	2¾
	1962	5¾	3
	1963	5¾	3
	1964	5¾	3
	1965	6	3
	1966	6	3
	1967	6½	Chequing Non-chequing
	1967		3 4½
	1968	6¾	3 5

2. The Balance of Profits (i.e. after taxes and provision for losses) declared by each chartered bank in 1956-1968 was as follows:

Balance of Profits
(thousands of dollars)

	1956	1957	1958	1959	1960	1961	1962
Montreal	8,976	9,650	10,357	12,191	14,227	14,579	16,014
Nova Scotia	3,790	4,744	5,241	5,903	6,825	7,873	8,466
Toronto-Dom.	3,656	4,082	4,746	5,463	6,652	7,561	8,245
Provincial	710	799	875	1,231	1,450	1,540	1,951
Commerce†	7,892	8,553	10,212	11,118	12,600	17,700	19,190
Royal	12,467	13,920	15,868	17,119	19,504	20,760	21,492
Nationale	1,897	2,081	2,268	2,636	3,069	3,242	3,484
Imperial†	2,676	2,788	3,084	3,691	4,134	—	—
Mercantile	53	50	35	—	1	1	1

	1963	1964	1965	1966	1967	1968
Montreal	16,747	17,855	18,730	19,906	20,720	18,061
Nova Scotia	8,724	9,728	10,447	11,700	12,910	15,537
Toronto-Dom.	8,755	9,080	9,915	10,893	12,285	14,597
Provincial	1,985	2,140	2,203	2,265	2,386	2,697
Commerce†	20,385	21,403	23,304	24,474	26,576	32,929
Royal	22,580	23,757	23,239*	27,432	30,279	35,324
Nationale	3,705	4,080	3,872*	4,273	4,636	5,019
Mercantile	1	2	2	2	—	—
B.C.	—	—	—	—	—	41

Notes: * 11 month period. † These banks amalgamated in 1961.

REDUCTION OF INTEREST RATE BY CHARTERED BANKS

Question No. 1,115—**Mr. Robinson:**

Does the federal government intend to influence the Bank of Canada in urging the chartered banks to reduce interest rates to borrowers?

Hon. E. J. Benson (Minister of Finance): Under the Bank Act each chartered bank is free to set the rates it pays on deposits and the rates it charges borrowers. These rates are affected by competition from other banks, other financial institutions and by

general conditions in financial markets at home and abroad. The Government of Canada, and governments in many countries, are taking vigorous action to reduce the inflationary pressures which are among the chief reasons for current high levels of interest rates in financial markets. Meanwhile the banks know well enough that Parliament and the government are concerned about the high level of interest rates and will want to be satisfied that competition is effective in ensuring that borrowers are charged no higher rates than are needed in order to pay depositors an appropriate return on their savings.

SEAL KILLING PISTOL

Question No. 1,149—**Mr. Diefenbaker:**

1. Has the Minister of Fisheries received any information from Mr. T. I. Hughes, General Manager of the Ontario Humane Society, concerning a humane seal killing shot pistol?

2. Did the Department of Fisheries test such a gun during the 1968 seal hunting season?

3. If so, what decision has been made requiring the use of such a gun or a similar weapon in the seal hunt for the 1969 season?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. Yes.

2. Yes.

3. Regulations will not require the use of such a gun or similar weapon during the seal hunt in 1969; further testing is felt necessary.

*WHEAT DRIED IN ELEVATORS

Question No. 1,150—**Mr. Diefenbaker:**

1. What is the estimated number of bushels of wheat that have been dried in elevators or on the farm (a) in line elevators (b) in government elevators at the Head of the Lakes (c) by farm producers in (i) Saskatchewan (ii) Alberta (iii) Manitoba, in each of the months November and December, 1968, and to the latest date available in January?

2. How many bushels have been dried during said months in interior government elevators?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the reply to this question is as follows:

1. (a) No information is as yet available on the amount of grain dried at line elevators;

(b) There are no government elevators at the head of the lakes;

(c) This information is not available on a monthly basis. As of January 3 it is estimated that the following quantities of grain have been dried on farms: Saskatchewan 16.9 million bushels, Alberta 12.9 million bushels, Manitoba 12.3 million bushels.

The answer to the second part of the question is as follows: November 372,000 bushels, December 1,042,000 bushels, January 833,000 bushels up to January 17.

*SASKATOON, SASK.—ESTABLISHMENT OF TELEVISION STATION

Question No. 1,159—**Mr. Diefenbaker:**

1. Will the Secretary of State ascertain from the officials of the Canadian Broadcasting Corporation whether favourable consideration is being given to the establishment of a CBC TV station in the City of Saskatoon?

2. If consideration is not now being given, will immediate consideration be given thereto?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: The C.B.C. looks most favourably upon establishment of a C.B.C. television station in Saskatoon and filed an application for such a station some time ago. However, the C.B.C. has asked the Canadian Radio-Television Commission to hold this application in abeyance pending the outcome of current negotiations for the purchase of CHAB-TV, Moose Jaw and CHRE-TV, Regina, which could affect the total C.B.C. service in Saskatchewan.

[*English*]

ARMED FORCES SUPERANNUATION ACCOUNT

Question No. 1,166—**Mr. Anderson:**

1. How frequently does the Canadian Forces Superannuation Act require a valuation of the Armed Forces Superannuation Account to be laid before Parliament?

2. When was a valuation of the Armed Forces Superannuation Account last made to Parliament?

Hon. E. J. Benson (Minister of Finance): 1. At least once in every five years.

2. September 12, 1968.

USE OF GRUMMAN "ALBATROSS" AIRCRAFT

Question No. 1,167—**Mr. Anderson:**

1. How many Grumman "Albatross" aircraft are in use in the Canadian Armed Forces?

2. Are all these aircraft being used for search and rescue purposes?

3. What is the total all up weight of these aircraft when fully loaded with search and rescue equipment, crew and fuel?

4. What is the maximum operating ceiling when fully loaded?

5. What is the climb rate of the aircraft, when fully loaded, on one engine?

6. What is the maximum ceiling of the aircraft, when fully loaded, on one engine?

7. How many engine or propeller failures have been experienced by these aircraft during the past twelve months (a) in flight (b) on takeoff or landing?

8. What is the operational readiness figure (expressed as a percentage) of these aircraft for the past year?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Nine.

2. Yes.

3. From a prepared runway—36,500 pounds. From water or snow—32,000 pounds.

4. 19,400 feet above sea level.

5. 190 feet per minute.

6. 5,900 feet above sea level.

7. (a) six; (b) three.

8. 1968—53.2 per cent.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CHAROLAIS CATTLE IMPORTS

Question No. 783—**Mr. Southam:**

1. How many Charolais cattle were imported into Canada from France in 1966, 1967 and 1968?

2. How many permits for importation of Charolais were issued, and who were they issued to in the years 1966, 1967 and 1968?

3. How many permits were issued to Canadians for the export of Charolais cattle to the U.S.A. or any other country in the years 1966, 1967 and 1968 and to whom and how many permits were issued in each case for the years mentioned?

4. How many temporary permits and to whom were they issued in the years 1966, 1967 and 1968 for the purpose of showing Charolais cattle in U.S.A. show rings and for breeding purposes?

Return tabled.

SUBSIDY PAYMENTS TO FARMERS

Question No. 926—**Mr. Douglas:**

1. In each of the latest ten years for which figures are available, how much was paid to farmers in subsidies and other forms of assistance by the federal government (a) in Canada, and (b) by provinces?

2. What was the gross income of farmers for those same ten years (a) in Canada, and (b) by provinces?

3. What was the total number of farmers for those same ten years (a) in Canada, and (b) by provinces?

Return tabled.

WESTERN NEWFOUNDLAND REGIONAL DEVELOPMENT EXPENDITURES

Question No. 1,053—**Mr. Marshall:**

1. Of the $7,565,000 scheduled to be expended under Regional Development 1969/70 programs in Western Newfoundland, what is the breakdown as follows (a) listing each project (b) the amount to be expended on each?

2. Of the amount $12,304,280 scheduled to be expended in 1968/69 in the Province of Newfoundland what is the breakdown as follows (a) listing each project (b) the amount to be expended on each?

Return tabled.

JOB VACANCY MONTHLY SURVEY

Question No. 1,056—**Mr. Orlikow:**

1. Since the Dominion Bureau of Statistics announced by press release that a "New Job Vacancy Monthly Survey" would commence in September, 1967, on behalf of the Department of Manpower and Immigration (a) did the job vacancy survey commence on that date (b) if not on that date, when did it commence?

2. How are vacancies obtained through this survey conveyed to Canada Manpower Centres of the Department of Manpower and Immigration?

3. How many employers does the job vacancy survey cover each month?

4. To date, how many of those vacancies have been passed on to the Canada Manpower Centres?

5. How long does it take the Dominion Bureau of Statistics to notify each Canada Manpower Centre when vacancies from employers are received through the job vacancy survey?

6. Since the job vacancy survey started how much money has been spent on this project by (a) the Dominion Bureau of Statistics (b) the Department of Manpower and Immigration?

7. Is there any duplication between the Dominion Bureau of Statistics and the Canada Manpower Centres in conducting the survey?

8. Are officers from the Canada Manpower Centres participating in the job vacancy survey and, if so, to what extent?

9. Do officers from the Canada Manpower Centres, Department of Manpower and Immigration, call on employers to secure vacancies and, if so, does this conflict with the job vacancy survey conducted by the Dominion Bureau of Statistics?

10. How does the Dominion Bureau of Statistics conduct the job vacancy survey (a) visit to employers (b) mailing of questionnaires to employers (c) both?

11. How long does it take the Dominion Bureau of Statistics to process the monthly survey on job vacancies?

12. What length of time does it take the Dominion Bureau of Statistics to notify the Canada Manpower Centres after the employers have notified them of job vacancies?

Return tabled.

Inquiries of the Ministry

RICHMOND, QUE.—ARDA PROJECTS

Question No. 1,064—**Mr. Beaudoin:**

1. What projects were undertaken under the Agricultural Rehabilitation and Development Act in the province of Quebec and in the federal Constituency of Richmond since 1965?

2. What are these projects?

3. What is the share of (a) the provincial government, and (b) the federal government in these projects?

4. Have requests for further projects been received from the province of Quebec on behalf of the federal Constituency of Richmond and, if so (a) where will these projects be carried out (b) what is the purpose of each program?

5. What amount will be allocated to each of these projects?

Return tabled.

RICHMOND, QUE.—SUBSIDIZED ACCESS ROADS

Question No. 1,069—**Mr. Beaudoin:**

1. How many access roads to forests did the government subsidize in 1965, 1966, 1967 and 1968 in the federal Constituency of Richmond?

2. How many miles of road were built (a) in each province (b) in the Constituency of Richmond?

3. How much was spent for this purpose (a) in the province of Quebec (b) in the Constituency of Richmond?

4. How much does the government intend to grant in subsidies during 1969 (a) to each province (b) for the Constituency of Richmond?

Return tabled.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

MAINLAND CHINA—DISCUSSION WITH AMBASSADOR FROM NATIONALIST CHINA—REPRESENTATIONS TO U.S.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to ask a question of the Secretary of State for External Affairs. Can the minister advise if the ambassador of Nationalist China from Formosa has just called upon him and if he has delivered any message in connection with the decision of the Canadian government to persuade the government of mainland China to enter into closer relations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the ambassador of the government of the Republic of China called on me on Friday to inquire about the meaning of various statements that had been made recently by the government in which the government indicated its intention to have negotiations with the People's Republic of China leading toward mutual recognition.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Would not the minister and perhaps the Prime Minister too—a helpful combination on agreement—agree that discussion of this sensitive issue would be considerably enhanced if the government were to issue a short white paper outlining the options that are open to the government on this issue of recognizing continental China?

Mr. Sharp: The government had stated its intention on a number of occasions. The matter is now before cabinet. I expect a decision one way or the other dealing with the modalities of the subject will be made shortly. At that time I think it might be very useful to have some discussion, perhaps before the Committee on External Affairs, although I should add that I would not want to see so many matters discussed before the External Affairs Committee that none of them receives the attention it should.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, has the government of Canada communicated to the government of the United States of America its intentions concerning the People's Republic of China? I ask this question in view of the remarks made this morning by the President of the United States at his press conference.

Mr. Sharp: Shortly after taking office as Secretary of State for External Affairs I acquainted the Secretary of State of the United States with the policy of the government. No further decisions have yet been taken. As soon as they are I will of course be in communication with the Secretary of State of the United States, and with representatives of other friendly countries.

Mr. David Lewis (York South): Mr. Speaker, my question is also supplementary, although I could state it as a related question. Will the minister assure the house that he informed the ambassador of the Taiwan government of the Canadian government's intention to proceed with negotiations with mainland China, despite the protests which I assume the ambassador laid before the minister?

Mr. Sharp: I said in reply to the original question that the ambassador came for an explanation, not to protest.

Mr. Lewis: Did the minister during the explanation make clear to the ambassador from Taiwan this government's intention to proceed to negotiate toward recognition of mainland China?

Mr. Sharp: Mr. Speaker, I informed the ambassador of the nationalist government of China exactly what I have told this house, and what has been made known to the public; that is, it is the policy of this government to bring about a mutual recognition between Peking and Ottawa. I told him we had made no change in our policy, and also that the matters of timing and procedure were still before cabinet for decision.

Mr. Lewis: Would the minister inform the house whether he informed the ambassador of the Taiwan government of the same thing the minister was reported to have said on television, if I understood it correctly, namely that if recognition of Peking should mean some break with Taiwan, the government was prepared for that.

Mr. Sharp: It was one of the questions with respect to which the ambassador came to me to seek clarification.

Mr. Lewis: We are in the dark, too.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, in view of the questions and answers which have gone before, may I ask the Secretary of State for External Affairs whether in his view it is necessary for him, the Prime Minister or the government of Canada to consult with or seek the advice of the United States in respect of any decision they are making in connection with diplomatic relations with any country or any government.

Mr. Sharp: I think it is very much in the interests of Canada that we should inform our friends in advance of such an important matter.

SATELLITES—EXCHANGE OF LETTERS BETWEEN FRANCE AND QUEBEC

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, speaking of information from friends, my question is with reference to a question answered by the Prime Minister which I had asked the Secretary of State for External Affairs concerning the Paris talks. Will the minister say if he has obtained advice as to whether or not communications fall under the umbrella agreement of 1965, particularly in reference to the announced intention of France and Quebec to exchange technicians and engineers in connection with the symphonie satellites project, which is an international undertaking? Would the minister undertake to make a statement on this important matter.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have now received copies of the letters that were exchanged between the government of Quebec and the government of France. I am not yet in a position to comment on them, but I suspect there will be other occasions by way of a statement or by way of answers to specific questions when I will be pleased to do so.

NATIONAL DEFENCE

NATO—POSSIBILITY OF CANADIAN WITHDRAWAL—REQUEST FOR HOUSE DEBATE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to ask the Prime Minister whether the Postmaster General was expressing the view of the government during the week end when he said that he believed Canadian participation in NATO was completely useless?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker. The Postmaster General was stating a case for withdrawal from NATO, but it was in the context, perfectly explained by him, of the debate in respect of the review which is going on regarding foreign policy. He was stating, shall we say, the antithesis of the thesis being stated at this moment by the Minister of National Defence in a speech he is making here in Ottawa today to the Rotary Club. We, as the government, will have to make a synthesis of these two points of view, and I am sure all ministers will contribute.

Mr. Hees: In view of the statements that have been made both by the Secretary of State for External Affairs and the Prime Minister to the effect that Canada intends to continue its present participation in NATO, is it the intention of the government that ministers shall be free to express views contrary to government policy in this regard?

Hon. J. A. MacLean (Malpeque): Mr. Speaker, the Minister of National Defence said today, when addressing the Rotary club of Ottawa:

—continued participation in NATO is essential to Canada's security interests at the present time.

Was he expressing government policy?

Inquiries of the Ministry

Mr. Trudeau: Mr. Speaker, as I said in answer to the previous question, both ministers said that they were stating a point of view. The Minister of National Defence said to the audience:

> I am not going to tell you what the policy will be—we have not decided that yet. It is with the desire to stimulate discussion on matters of serious national import, that I am speaking to you this afternoon.

The Postmaster General used equivalent language. Both ministers are, as we said much earlier in this parliament, asking the Canadian people to reflect on these matters. We realize that these are very important matters and, as I just said, the government will have to arrive at a policy which will be the expression of this government, to which all ministers will then adhere and gladly support.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in view of the answer of the right hon. gentleman, and the speech made by the military expert who doubles in brass as the Postmaster General, does the Prime Minister intend to alter the guide lines which were laid down earlier to permit the uninitiated to distinguish between cabinet dissension and participatory democracy?

Mr. Speaker: I have the impression that on a number of counts the question should not be allowed.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, arising out of the previous questions asked I should like to ask the Secretary of State for External Affairs which way he is facing on this "push me-pull you"?

Mr. MacLean (Malpeque): Mr. Speaker, I should like to ask the Prime Minister whether he would consider setting up an opportunity for debate in the House of Commons in the near future on these important matters of defence, so that official statements could be made by the government as to what the policy is, at least for the time being?

Mr. Trudeau: Mr. Speaker, there are two points I could make here. The first is that the Secretary of State for External Affairs has stated on a previous occasion that we will be publishing a white paper on our external policy, from which defence policy follows. I must also remind the opposition that this subject is before the committee now and we are very anxious to hear once again the opposition speak with one voice. Apparently they are not conducting a review: They know the truth, and we would like to hear it.

While I am on my feet—

Mr. Speaker: Order, please. Does the Prime Minister wish to make a statement relating to the question now before the house? I understand there is at least one more supplementary question. The hon. member for Oshawa-Whitby.

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Following his marxian dialectical process of reasoning, would it be reasonable now for us to infer that the government's synthesis would be for Canada to remain half in and half out of NATO?

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I have a question for the Prime Minister. Does the Prime Minister not think that this kind of kite-flying is confusing and frustrating to our friends in NATO?

Mr. Speaker: Order, please. Perhaps this would be the right moment for the Prime Minister to make a statement about another matter.

DOMINION-PROVINCIAL RELATIONS

CONSTITUTIONAL CONFERENCE—ATTENDANCE OF PARTY OBSERVERS

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, this is by way of answer to a question asked by the leader of the New Democratic party on Friday about the participation of observers at the dominion-provincial conference. I told him I would check on it. I now have. I want to report that the situation will be as follows.

We will have the same number of observers at this conference as we had in February last year, that is, 28 seats. One will be made available to each province. Therefore that will leave 18 for federal use. We would want to apportion these 18 seats on the same lines as last year. There would be one seat for each of the opposition party leaders, making three seats. There would be two seats for the Speakers of the two chambers, and one seat for the Leader of the Opposition in the Senate.

That would leave 12 seats remaining, which would be given to the parties according to their strength, more or less, in the House of Commons. It would be on the basis of six to the Liberals, four to the Conservatives, one to the New Democratic party and one to the

Creditistes, over and above, of course, the seats to their leaders. Each party, of course, will determine who within its party will be the observers.

EXTERNAL AFFAIRS

REPRESENTATIONS TO CHINA RESPECTING CONFINEMENT OF JOURNALIST

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, during the Prime Ministers conference the Secretary of State for External Affairs and the Prime Minister had not heard of the incarceration in Peking of Anthony Grey. Now that the government is aware of this, in any representations to the communist government in Peking will the Canadian government point out the horrible and unjustifiable incarceration of Mr. Grey and ask that his release be provided for?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think the Leader of the Opposition—

Some hon. Members: Oh, oh.

Mr. Sharp: I am sorry. I think the right hon. gentleman from Prince Albert is mistaken. I have already expressed in the House of Commons, in answer to a question, our concern about this matter. At the time the Prime Minister was asked the question in London, it was put in a rather different context.

Mr. Diefenbaker: Mr. Speaker, I do not think the Prime Minister should have had any difficulty answering the question. The question asked was not obtuse in any way. The Prime Minister turned to the Secretary of State for External Affairs, and the answer was in the negative. Will he answer my question now? In these discussions will he point out to the communist government the total disgust of the western world at the imprisonment of Anthony Grey?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I must point out that when the question was asked of me I did not say I knew nothing about it; I said the matter would be studied. The truth is that I did know about the matter.

Mr. Diefenbaker: That is not what you said at the time.

Mr. Trudeau: But I also knew full well that perhaps the best way to obtain the release of such a gentleman from another government was not to demand publicly that that release be obtained, because this very often is counter-productive. The other government, in order to show that it does not bow down to this great request—from Canada, keeps the gentleman in prison for another few weeks or months. It was for this reason that I did not think it very useful to make this kind of public statement on the matter.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. If the Secretary of State for External Affairs wants to improve on the Prime Minister's statement, I will sit down until he has finished.

Mr. Sharp: Mr. Speaker, I just thought I should draw the attention of the house to the reference I made, so that it is on the record. I answered a question about Mr. Grey on December 10, 1968, and it appears in *Hansard*.

Mr. Diefenbaker: But in London the Prime Minister said he did not know anything about it. I ask him whether, now that he knows, he will adopt some of his very soft-stepping diplomacy and let the government of communist China know that what has been done is shocking to Canadians as a whole?

Hon. J. A. MacLean (Malpeque): A supplementary question, Mr. Speaker. Did the Prime Minister at any time consider exchanging for Mr. Grey one of the newsmen travelling with himself.

Some hon. Members: Oh, oh.

Mr. Trudeau: In a serious vein, Mr. Speaker, the opposition should know that one of the reasons why Mr. Anthony Grey is being held is precisely because the Peking government wants to make such an exchange for the Chinese journalists who are being imprisoned in Hong Kong. Perhaps this matter of exchange is something that can be settled between themselves, without our having to ask for volunteers from among our people.

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I was pleased to hear the Prime Minister make this statement. Before anything is done in a unilateral way with the government of communist China, with regard to the serious question of the British journalist, will equivalent pressure be brought to bear on the British government for the release of the Chinese journalists being held in Hong Kong?

Inquiries of the Ministry

Mr. Trudeau: Mr. Speaker, the advantage of having different parties in the opposition is that if you give them sufficient time, you hear the whole truth. I am glad to hear the other side of the question.

Mr. Knowles (Winnipeg North Centre): That is more than we get from the government side.

REQUEST FOR REPORT ON CULTURAL AGREEMENTS BETWEEN CANADA AND FRANCE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the assurances given by the Prime Minister on Friday last, which have no doubt been brought to the minister's attention, will the Secretary of State for External Affairs give to parliament at an early opportunity a report on the implementation of the Canada-France cultural agreements, touching on the extent of federal contributions, the amounts rendered by France in the form of assistance, and the number of personnel exchanged between Canada and France, with particular regard to the duties and functions of such personnel? At the same time, will the minister deal with the supplementary question which I posed relating to the present status of the France-Canada agreements and their possible renewal?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, my attention was drawn to the question asked by the hon. gentleman and I gave instructions to have a report prepared on the operation of the agreement. I have the agreement before me now. It was concluded for a period of five years, and since it was signed in November, 1965, it presumably goes on until November, 1970. It is also renewable automatically, and can be denounced by either party thereafter six months in advance.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question—

Mr. Speaker: Order, please. I understand that the hon. member for Cape Breton-The Sydneys has a supplementary question.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, would the minister mind answering the rest of the question at the first opportunity?

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

[Mr. Broadbent.]

HARBOURS

VANCOUVER, B.C.—CONSTRUCTION OF SECOND CONTAINER BERTH

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question was for the Minister of Transport, but as he is not here and in view of the importance on the question may I ask it of the Minister of Public Works who, being a cabinet member from Vancouver and holding this portfolio, has some connection with harbour development?

In view of the statement made yesterday by Captain Johnson of the Vancouver Harbour Board, that the National Harbours Board officials here in Ottawa have been informed and are aware of the need for a fast decision on the construction of a second container berth in the Port of Vancouver, can the minister inform us whether any decision has been made on this matter; and if not, when will a decision be made and announced to the house?

Mr. Speaker: Order, please. A question can be asked of the minister only in his ministerial capacity. It cannot be asked of him as a member of parliament for Vancouver.

Mr. Winch: Mr. Speaker, the Department of Public Works handles construction for the National Harbours Board in Vancouver; therefore I think the question is in order.

Hon. Arthur Laing (Minister of Public Works): In this case an indication was given in Vancouver some months ago by the Minister of Transport that active investigation was under way toward putting equipment into Vancouver to handle this type of freight. Then I think there was an invitation to Japan to see what the requirements might be. The Canadian group was led by Captain Johnson who has now returned to this country, and I think some advice will be available to the department from this source. But my colleague the Minister of Transport certainly made it clear that Vancouver would not be behind in installing the type of equipment which is necessary. That is the policy of the department, and I think it is being pursued.

Mr. Speaker: Order. It seems to me the minister is now replying on behalf of the Minister of Transport, and I suggest this cannot be done, according to the rules.

ATLANTIC DEVELOPMENT BOARD

APPOINTMENT OF CHAIRMAN

Mr. Lloyd R. Crouse (South Shore): I have a question for the Minister of Forestry and Rural Development, Mr. Speaker. Having regard to the concern felt in the Atlantic provinces, is it the intention of the government to appoint a chairman, a vice chairman and two directors to fill the present vacancies on the Atlantic Development Board?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, there will probably be a delay before the members of the Atlantic Development Board are appointed because the structure of the board might be changed when the basic act of the department is examined.

[*English*]

DRUGS

IMPOSITION OF CONTROLS ON AMPHETAMINE TYPE STIMULANTS

Mr. Louis-Roland Comeau (South Western Nova): My question is directed to the Secretary of State for External Affairs. For what reason did Canada refuse to support the efforts of students to impose strict controls in respect of the United Nations narcotics commission on amphetamine type stimulants?

Mr. Speaker: Order. The hon. member is asking for information which should be given on motions in the form of a statement.

MEDICAL CARE ACT

POSSIBILITY OF AMENDMENT TO INCLUDE OPTOMETRY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare? In view of the fact that the Medical Care Act was amended in order that special services could be included under its provisions at the request of the provinces, and in view of the fact that five or six provinces have requested that optometry be included, will the minister be making an early statement with regard to the government's intentions in this regard?

Hon. John C. Munro (Minister of National Health and Welfare): I am not aware that the degree of consensus with reference to this matter is as the hon. member has stated, but I would be pleased to look into it and consider the requests.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the fact that the amendment to the act said nothing about consensus, is it not possible for the government to give consideration directly to the requests which have been made?

Mr. Munro: That may be legally possible, but we have decided to proceed in connection with this legislation, through co-operation and consultation with the provinces. As a result of conferences between federal and provincial health ministers a formula for this consultation has been devised, and it has been agreed there should be at least some type of consensus reached before additional services would be provided under the act. This is the procedure we are following at the present time.

Mr. Knowles (Winnipeg North Centre): Will the minister check to see if my information is not correct—that five or six provinces have made such a request?

Mr. Munro: Yes, I will, Mr. Speaker.

AGRICULTURE

DAIRY INDUSTRY—QUOTAS FOR WHOLE MILK AND CREAM

Mr. Don Mazankowski (Vegreville): I have a question for the Minister of Agriculture. Is consideration being given to the allotment of dairy quotas to people who are interested in entering the whole milk or cream field, having regard to the fact that the present dairy policy is now under review?

Hon. H. A. Olson (Minister of Agriculture): I announced in Quebec city to the conference of the dairy farmers of Canada held last Wednesday that we would entertain applications from producers who had a quota covering between 420 and 1,750 pounds of butter fat and who continued to produce, but who failed to re-apply for the current dairy year. The question of additional applications is under consideration, but no announcement has been made.

CONSUMER AFFAIRS

CHARGES IN REPORT RESPECTING GROCERY PRICES ON PRAIRIES

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Consumer and Corporate Affairs. Can he indicate to the house when he plans to meet with the ministers of the three prairie provinces to discuss further the charges set out in the Batten

report that excessive prices were being charged by chain stores on the prairies.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): We were hoping to get together on the occasion of a meeting between attorneys general in Saskatchewan at the end of this month, because the date coincided with that of another meeting which we had expected to take place. Some of my staff are in touch with the staffs of the provincial ministers to arrange a date for a future meeting, because the previous arrangements fell through.

Mr. Korchinski: In view of charges by the Consumers Association of Canada that the federal combines branch did not have all the necessary information at the time of its findings on the basis of a study of the Batten report, is a further review of the situation being undertaken, or is such a review contingent upon the results of the discussions to be held between the minister and his provincial counterparts?

Mr. Basford: The allegation to which the hon. member refers is not correct.

ESTABLISHMENT OF JOINT COMMITTEE ON PRICE STABILITY

Mrs. Grace MacInnis (Vancouver-Kingsway): Can the minister tell us when the standing joint Senate-Commons committee on price stability, incomes and employment, will be established?

Mr. Basford: The suggestion to set up this committee was outlined in the policy for price stability which I tabled in the house on December 20. As I stated at that time, I am consulting with various interested economic groups to obtain their views on the white paper, which I expect will be completed next month.

Mrs. MacInnis (Vancouver-Kingsway): That is not the answer to the question I asked, Mr. Speaker. I asked whether the minister could tell us the date when this committee will be established.

Mr. Basford: The white paper made it clear that the policies outlined there were for the purpose of forming a basis for consultation, and that process is now under way.

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. Would the minister agree to make a statement in the house, in view of the interest in this matter, after he has held the meeting with the provincial ministers of the three western provinces to which he referred in his earlier answer?

[Mr. Korchinski.]

Mr. Basford: I would have to consider that after I have met with them.

INDIAN AFFAIRS

MOOSE FACTORY—POSSIBLE REPLACEMENT OF HOSPITAL DIRECTOR

Mr. Ralph Stewart (Cochrane): I should like to ask a question of the Minister of National Health and Welfare. Normally I would make use of other means of obtaining information, but since the people involved at Moose Factory, Ontario, chose to have this subject aired over the C.B.C. last night, I feel I must ask whether or not the minister intends to follow the advice sent to him by the petitioners at Moose Factory to replace the medical director of the hospital, a Dr. Bridge, who is termed by them as a colonial master, with a Canadian doctor who understands the problems of the people in the area.

Mr. Speaker: Order, please. I did not see the television program to which the hon. member referred, so I cannot immediately say whether this is a matter of urgency or not. However, it seems to me it is the type of question which lends itself to discussion at ten o'clock.

VOCATIONAL TRAINING

REFUSAL ON LANGUAGE GROUNDS OF APPLICANTS FOR RETRAINING

Mr. P. V. Noble (Grey-Simcoe): I should like to address this question to the Minister of Labour, Mr. Speaker. Will the minister say whether some of the applicants for the 29 vacant places in the eight weeks retraining program at George Brown College, Toronto, are being refused on the ground that they have an imperfect command of English?

Mr. Speaker: Here again, if the hon. member thinks this is an urgent question it might be discussed at the time of adjournment this evening.

PARLIAMENT BUILDINGS

WEST BLOCK—CONVERSION OF CONFEDERATION ROOM TO ACCOMMODATE COMMITTEES

Mr. Lloyd R. Crouse (South Shore): I should like to direct a question to the Minister of Public Works. Is the government planning to alter the Confederation Room in the

West Block in any way for the specific purpose of making it into a series of committee rooms?

Hon. Arthur Laing (Minister of Public Works): I cannot believe that this would be possible, although I heard some rumour to that effect the other day. That room however has special uses. I think it will be in use in February, again, and we must keep it as it is.

Some hon. Members: Hear, hear.

HEALTH AND WELFARE

MEDICAL FACILITIES IN NORTHERN AREAS

Mr. Ed Schreyer (Selkirk): My question is directed to the Minister of National Health and Welfare. In view of a statement by the national director of northern health services to the effect that the most elementary medical facilities are lacking in the north country, can the minister say whether any specific program or course of action is being contemplated by his department to provide these basic facilities?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not accept the premise of the hon. member, but I do acknowledge that there is room for improvement. We have been working for several months now to improve the situation. A greater allocation of moneys is being set aside for that purpose. We are improving and increasing our facilities, and doing so as a matter of urgency. We are also trying to recruit additional and more adequate personnel.

Mr. Schreyer: A supplementary question. When the minister says that he does not accept my premise, is he wishing to indicate that he does not accept the statement that was made by—

Mr. Speaker: Order. This is debate, of course.

ADMINISTRATION OF JUSTICE

SEMINARS FOR DISSEMINATION OF INFORMATION

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Justice. In view of the fact that the government has enabled Canadian judges to hold a yearly seminar to permit judges to update themselves on the changes in the law, would the minister consider a similar seminar for lawyers, so that the lawyers may know what the judges are talking about, and a similar seminar for the Canadian public so that the public may know what the judges and the lawyers are talking about?

AGRICULTURE

OBSERVERS FROM POLITICAL PARTIES AT MARCH CONFERENCE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I direct my question to the Minister of Agriculture. At the conference on agriculture which is to be held in March will provision be made for observers from all parties in the house?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I think the answer is yes. In any event we are working on this, and we hope it will be possible to make the suggested arrangement.

DRUGS

OPIUM AND MARIJUANA—CONTROLS UNDER INTERNATIONAL CONVENTION

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Are present Canadian controls on opium and marijuana in accord with the International Narcotics Convention and, if so, is the government considering the amendment or withdrawal of Canada's support of that convention?

Mr. Speaker: Order. The first question leaves me in doubt as to its validity, in that the hon. member is asking for an interpretation of a statute or law. Perhaps the minister may want to reply to the second question.

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker, not that I am aware of.

OFFICIAL LANGUAGES

DISMISSAL OF COMMISSIONAIRES FROM NATIONAL MUSEUMS

Mr. David Lewis (York South): Mr. Speaker, I should like to ask a question of the Secretary of State. In view of some questions which were put to him earlier, and also to the Prime Minister, with regard to commissionaires whose jobs and hours have been changed, and some of whom may have been let go—the Prime Minister said the other day he thought not, but I am informed that there may have been lay-offs—would the minister consider making a statement to the house in

the very near future on what has happened and what is the government's policy in that area?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I now have the required information; I got it this morning. However, I may have to consult with you. You may find the answer rather lengthy, but with your permission, I could give it now.

[*English*]

Mr. Speaker: The minister is asking me to rule in advance whether his answer is going to be too long. If the minister wants to revert to motions for the purpose of making a statement, which will be subject to comment and discussion by representations of parties in opposition, then it would be up to the house to decide.

[*Translation*]

Mr. Pelletier: Then, Mr. Speaker, I shall risk reading it as it is, without fear of your strictness, and you can always interrupt if you find the statement too long.

[*English*]

The Canadian Corps of Commissionaires is a private organization, and commissionaires are not members of the public service of Canada but employees of the corps. The government of Canada contracts for the services of commissionaires through the Department of Defence Production, and individual departments and agencies arrange for their requirements through that department. In the fiscal year 1969-70 the National Museums of Canada has arranged for the services of 54 commissionaires for duty in the National Museum of Man, which includes the Canadian War Museum, the National Museum of Natural Sciences, and the National Museum of Science and Technology. The National Gallery of Canada, whose requirements are somewhat special, has a separate contract for security services with National Protective Service Company Limited.

In October, 1968, officials of the National Museum discussed with the commandant of the Ottawa division of the corps the feasibility of supplying bilingual commissionaires for duty in the areas of the National Museums of Canada which are open to the public during the hours they were open. Air Vice Marshal—

[*Translation*]

Mr. Speaker: Order. I must interrupt the hon. minister at this time to suggest that the statement he is delivering must normally be made on motions, unless all hon. members are willing to hear the hon. minister's statement as a reply to a question. I do not think the hon. minister is entitled to continue any further.

[*English*]

Mr. Lewis: A supplementary question. I ask this question of the Secretary of State, particularly in view of your ruling, Mr. Speaker, in regard to the answer that he attempted today. In view of the disquiet that there is about this matter, and particularly in view of the fact that the people concerned were not public servants, and therefore had none of the security and protection that a member of the public service has, or is alleged to have, would the minister seriously and favourably consider answering this question in the form of a statement on motions on Wednesday? If the situation is as good as his face suggested it might be, is there any reason for him to fear comments by opposition spokesmen?

[*Translation*]

Mr. Pelletier: I am not afraid of comments, Mr. Speaker, on the contrary, but you will excuse my lack of experience. So many questions have been asked on that subject that I will not so to speak make any statement but rather reply in turn to the several questions that have been put to me and that have piled up.

[*English*]

EXTERNAL AID

BIAFRA—MANNER OF MAKING RELIEF SHIPMENTS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the imminent shipments of foodstuffs for Nigerian and Biafran relief, would the minister inform the house whether it is still the plan of the government to send a major portion of this relief to Fernando Po, as originally planned?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this was a decision that was made by the International Red Cross. After discussions with us they decided they would divide their shipments into two parts. I am not sure what the position is now because, as the hon. gentleman knows, the International Red Cross has been having some difficulties with the government of Equatorial Guinea. Until those matters are settled probably the International Red Cross itself does not have a view.

Mr. MacDonald (Egmont): A further supplementary question. I wonder whether the government or the minister have had any consultations with the International Red Cross or their representatives here in Canada—because they have representatives both here and at Sao Tome—to consider the possibility of diverting part of the necessary foodstuffs to the island of Sao Tome?

Mr. Sharp: Mr. Speaker, we have been in touch with the Red Cross, but up to the present time they have not indicated any such preference.

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed, from Friday, January 24, consideration of the motion of Mr. Turner (Ottawa-Carleton) for the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-150, 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, the Customs Tariff and the National Defence Act.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, after reading the various speeches delivered during the course of this debate I felt there were a number of suggestions I might make which, on the basis of experience, may be helpful. During the 50 years since I was called to the bar I have followed the practice of always appearing in court, regardless of fee, when anyone was able to show me that he was in danger of being subjected to a grave injustice. Although my appearances as defence counsel constituted only about 5 per cent of my practice, I appeared in some cases which the press reported in a manner not unfriendly to me.

• (3:00 p.m.)

My first words now must be to congratulate the Minister of Justice (Mr. Turner) on an honour done to him in the last few days. We were in Barbados together and the hon. gentleman there received the distinction of being admitted to the distinguished bar of that country. Should the hon. gentleman decide in the years ahead that he prefers the salubrious climate of the Caribbean the barristers of Barbados will encounter strong opposition if the hon. gentleman appears at their bar.

Sir, I was interested in certain references he made to me in connection with the Berubé case. The minister said that on the basis of representations that were made as a result of that case the law is being changed so that never again will a person innocent of any offence be incarcerated for a number of months. The Berubé case came to my attention in a personal way. When I visited the prison in which Berubé was confined a senior official there said he could not understand why I would become interested in an ordinary man 20 years of age. Imprisonment would do him no harm even if he were guilty of nothing—an unusual viewpoint, to say the least, for anyone to hold.

On the other hand, the minister has said that in his view this bill is one of the most comprehensive reforms of the Criminal Code ever undertaken in our country. On page 4717 of *Hansard* the minister is reported as saying:

> I speak this afternoon with the confidence that this legislation is the most important and all-embracing reform of the criminal and penal law ever attempted at one time in this country.

I remember when the present Prime Minister (Mr. Trudeau) introduced this bill originally. At that time he was minister of justice and held different views. Reporting his views, U.P.I. said on December 21 1967 that "the minister at no time suggested the bill was a radical revision of Canada's criminal law." The report continued to the effect that the 46-year old bachelor said that the changes only "tidied up" the act. There is a wide discrepenacy between the fulsome description of the bill given by the Minister of Justice and the description given by the former minister who now is Prime Minister. But that is not unusual with this government, sir.

We had an example of inconsistencies in connection with the Grey case. When asked at a press conference in London questions regarding Grey's incarceration in Peking the Prime Minister said he had no knowledge of the matter. It had never been brought to his attention and he had no idea what the press was speaking about. He then fell back on that reed, the Secretary of State for External Affairs (Mr. Sharp), inquired what that minister knew about the matter. He received no information whatever. The Grey incident in London made many pressmen abroad realize that all wisdom did not reside with the two leading members of the present government of Canada.

In his speech the Minister of Justice also said that this legislation had received the approval of the Canadian people. All I can

say is that I never heard it discussed. It may have been discussed in the hon. gentleman's constituency, but elsewhere nothing was said about it. I have searched and had the records searched to discover when the amendments contained in this bill became a cardinal matter of consideration by the Canadian people. My inquiries left me in the dark; the records have no information on this matter.

We have a strange situation here. At one time the minister made a clear statement to the effect that since certain portions of the bill had social and religious connotations he would expect the bill to be divided so that hon. members could vote according to their consciences. Now the minister takes a different position. His present position is the Prime Minister's. In effect he says, "This is a government bill; it must go through. Members supporting the government will have to line up behind it. If they do not they will know the consequences."

Mr. Turner (Ottawa-Carleton): On a point of order, sir, may I dispose of the right hon. gentleman's point. He has referred to a statement I made just after I had received my portfolio. I said it was important for the will of the House of Commons to be tested on each clause. I never said the bill ought to be split.

Mr. Diefenbaker: The will of the House of Commons will not be tested on each clause under the present situation. Although I believe in the necessity of implementing many of the bill's recommendations I cannot and will not support a bill that contains two or three items with which I disagree thoroughly and in all conscience. No Member of Parliament should be required to support an entire bill of this nature which is to be submitted to a committee overwhelmingly Liberal in the make-up of its members. I will not allow myself to be led into a position of supporting an entire bill when I am irrevocably opposed to two of its clauses dealing with sex and abortion. I want to make that clear.

The minister also said in so many words that we would not be handed an omnibus bill. I have looked at what he said and I am sure that my interpretation of his remarks is correct. Yet we have been presented with an omnibus bill which, after second reading, is to be submitted to a committee composed overwhelmingly of Liberal members. Those members cannot call their souls their own if they disagree with the Prime Minister. Never during my period of office did the government take the stand that a bill connected with the criminal law ought to be determined on the basis of a party vote instead of on the basis of a non-partisan vote.

• (3:10 p.m.)

Now I take the bill as a whole and summarize it in a very few words. The section dealing with passports is excellent. As a matter of fact Canada has been a type of communication centre for international passport fixing all over the world. You can get a Canadian passport with almost the same ease that you can walk into the House of Commons, provided you are elected. This is something that was overdue.

The next section deals with firearms. I know how difficult it is to bring about amendments in connection with firearms without denying the bona fide use thereof, but in view of the serious conditions existing in our country I can accept these amendments. The next section has to do with gaming, horse racing, parimutuels and lotteries. With all the difficulties confronting this government, just imagine section after section dealing with these problems and the minister designating what is to be done. This is almost the greatest thing that has happened since Hammurabi's codification of new principles.

Then follows the drunken driver section. I agree that action in this regard is long overdue. Week after week there is a massacre on the roads of Canada, a great portion of which would not take place were it not for drunken drivers or those under the influence of liquor. However, I think we should go a little further. There is nothing that a person operating an automobile fears more than the loss of his licence for a period of time. If you really want to put the fear of the Lord into drivers under the influence of liquor, make provision that those convicted under these several sections will not be in the position of being subject to a suspension of their licence but will actually have their licence suspended for a period of two years. This method has been successful in one or two states. It has had a tremendously beneficial result in preventing those who have been drinking from driving.

The headings, "automobile master keys" and "possession of instruments for breaking into coin operated device", are not very serious matters. They scarcely can be dignified by being expressed. The like of these matters has not been seen in amendments to the Criminal Code since 1892. Then there is the subject of harassing telephone calls. The only

way to get around this is to not have your telephone listed. Then you are not subjected to those telephone calls to which some people are subjected.

Then there is the question of juries, court jurisdiction, trial by magistrate by consent, evidentiary value of certain documents and the way proof may be made in the courts. These are all matters of little or no consequence except in so far as an accused is concerned who, not knowing his rights, consents to have a summary trial to save time, which is often the explanation given to him, the result is often a longer sentence than otherwise would have been the case. Then there is the matter of proof of previous convictions, which is simply a matter of a certificate, and the directing of a new trial in the case of a sentence of preventive detention. I think this is a good principle and I would like to see the minister go a little further. I find that among those who are habitual criminals there is a loss of hope on their part once they have qualified to be designated as habitual criminals. They lose hope. I would like to see the addition of a condition by way of an incentive to rehabilitation whereby after a period of five or six years the individual might look forward to a review of the order made and an opportunity for rehabilitation provided the individual in question has shown this desire. The rehabilitation and Parole Act amendments are also worthy of support.

I think that pretty well covers the matters before us. I have scarcely been able to join with the minister in the hallelujah chorus about the wonders of the amendments that have been provided in this bill. Never in my lifetime have I felt the degree of fear regarding current conditions that I feel today. There is public concern in the United States and Canada over the expanding and tremendously developing field of crime. The number of convictions aside from traffic infringements shows a marked increase in our country. In 1957 the number of convictions in Canada, excluding traffic infringements, amounted to 387,437, and in 1966, the last year for which figures are available, 548,533. Crime is increasing two and a half times faster than the population.

Indictable offences increased from 31,000 in 1956 to 45,607 in 1966. In a period of 17 years the number of juvenile delinquents increased by 14,000 or roughly three times. Population in the same period increased by 30 per cent. One is concerned about the disregard for the law. We live in an age when various people join together and become power groups, and law-abiding citizens are in the dangerous position of being subject to the power of a visual minority who deny and defy by force that which the law proclaims to be wrong.

• (3:20 p.m.)

We live in an age in which there is an increase in mob conduct. I believe in the right of individuals to agitate for change, but there is as vast a difference between agitation for change and contempt for the law as there is between liberty and licence. Organized anarchy, which is not being punished within our country and except on very odd occasions is not being punished in the United States, is dangerous to freedom. The right to dissent must be preserved but the right to civil disobedience must be frowned on. It is dangerous to a nation when groups, relying on their numbers, contend that the rule of law must be abrogated for them because it is unacceptable to the groups to which they belong. This has become epidemic. It is epidemic in the United States. We can no longer say it is restricted. That spirit of lawlessness, that spirit of contempt toward police officers is becoming epidemic in Canada. We see it on every hand, in the refusal of passers-by to participate in any way in the assistance of policemen carrying out their responsibilities. This is something that requires the best efforts not only of the minister, not only of the Solicitor General (Mr. McIlraith) but of the Attorneys General of the various provinces and of law officers generally. What are we going to do about it?

At this very time when these things are happening in our country we are permitting second-hand revolutionaries and prophets of political dissolution to come into our country. We have opened the doors to them. Recently in answer to a question on my part the Minister of Manpower and Immigration (Mr. MacEachen) said that even if they come to Canada to advocate changing the government by force, as long as they speak to selective groups and do not make their message one to all Canadians there is no reason they should not be admitted. The United Kingdom has found out otherwise. It has closed the door to several of them. The republic of France has followed the same course. But we have opened the door.

We let these professional agitators come here, people like Jerry Rubin, Rapp Brown and Stokely Carmichael. We allow them to speak openly in Canada about bloodshed, and the Minister of Manpower and Immigration

says, "Let them in, don't interfere with them; this is freedom of speech." This is not freedom of speech, Mr. Speaker. Freedom of speech does not permit libel, treason or sedition. And yet they have the blanket approval of the Minister of Manpower and Immigration which might almost be interpreted as, "Come unto us all ye that want to destroy the democratic system and we will let you in." We do not need these infesters of society, these perverters of free democratic institutions.

I suggest that instead of interfering with immigration officers who are trying to do their job by inquiry to keep these people out, the government of Canada should give them every support in making it clear to these individuals who stir up revolution in their own countries that they are not going to find a welcome mat when they come into Canada. To do otherwise is to allow these people to make their speeches to groups of young men and women across the country, incendiary speeches, seditious speeches which if made by Canadians would result in prosecution. I hope there will be some co-operation by the Department of Justice and the Solicitor General with the immigration authorities to let it be known that this type of individual coming into our country to stir up trouble is not welcome.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Throughout my life I have believed in the freedom of the individual. I do not have to mention this. The law reports record that when the freedom of individuals was interfered with and it was brought to my attention I tried to secure justice for the person involved. But to take the stand that apparently is the official stand of the government of Canada, that this type of individual is welcome here, is to lay the foundation for further and greater trouble, indeed, to permit what the Prime Minister warned about some time ago at Queen's University as I recall his speech—the danger of there ultimately being internal disorder and worse.

What are some of the things I suggest might be done? I am rather surprised that there is nothing in this bill in connection with obscenity and pornography. I have made a lengthy study of the law on this subject and I am ready to introduce a bill provided I will not find myself in the position that so many do when they introduce private bills in this house: everybody gets on the bandwagon, says they are all for it, and then talk it out. If the minister is prepared to take a draft bill, submit it to a committee and give his undertaking that if the committee recommends action the government will bring in a bill in this regard, there will be no delay in the introduction of my bill. It is not only my personal view.

One has only to watch television today, or go into stores which specialize in pornographic literature, crime and horror magazines and the like, to know of their detrimental influence on the youth of our country and, indeed, on the minds of all. As of today, according to the latest judgment of the Supreme Court of Canada regarding the meaning of obscenity there is actually a field day of opportunity for distributors of pornographic filth. Today there are no teeth in the law in view of the interpretation that has been given.

In the magazine and book field I think the proper course is to strike at the person who offers these things for sale. This has been found more effective than anything else in the United States. Some of the dealers contend that they have been prevented from refusing to accept this type of thing because of the rule in the trade that unless they accept a certain number of these pornographic books and magazines they will be denied the opportunity to operate as a retail outlet for the magazines they want to sell.

What kind of law would I suggest? There is a very fine balance between what is wrong and what is right within the purview of the expression freedom of speech, freedom of the press. I think that the British act goes a long way to meet the situation. Under the Obscene Publications Act of 1959, which incidentally put an end to the old Obscene Publications Act of 1857, provision is made as follows:

• (3:30 p.m.)

> For the purposes of this Act an article shall be deemed to be obscene if its effect or (where the article comprises two or more distinct items) the effect of any one of its items is, if taken as a whole, such as to tend to deprave and corrupt persons who are likely, having regard to all relevant circumstances, to read, see or hear the matter contained or embodied therein.

The other day I asked a question about the C.B.C. and some of its TV performances. I have not yet received an answer. It is as difficult to get information out of the C.B.C. in parliament as it is for a camel to go through the eye of a needle. They just simply do not give information. We pay and they

advertise. Two or three people in the corporation believe they are above the law and they place before the people of Canada the kind of stuff that can only pollute the mind. If you destroy the physical being you are guilty of an offence. If you destroy the inner soul of the young men and women, boys and girls, of this country by this type of thing there is no offence under the present law as I see it.

In order to ensure that freedom of speech shall be maintained there is a saving clause which is an assurance to all those who desire to uphold freedom of speech. At least it is vocally whenever pornography is discussed. The section reads:

> A person shall not be convicted of an offence against section two of this Act... if it is proved that publication of the article in question is justified as being for the public good on the ground that it is in the interests of science, literature, art or learning, or of other objects of general concern.

That section will protect. The state of Michigan brought in legislation which has been beneficial. If you cross the line from Windsor to Michigan and go into a book store there you will see there is a great deal less filthy crime literature than there is in the average Canadian book store. I suggest we must take action in this regard. Day after day men and women across this nation, on their own broadcasting facilities which they pay for, have placed before them sordid things that under no circumstances can be justified as art. They have no recourse. If this matter is raised in the house the Secretary of State (Mr. Pelletier) says he will get an opinion from the C.B.C. I understand that very recently the C.B.C. has been approached to the effect that they ought to be careful about the publicity they give to certain members of parliament, that is, that they are giving too much.

Then we have the revelation made by the former secretary of state regarding separatist control of facilities in the province of Quebec and I think elsewhere. I would like to see her appear before the committee so that we would have not only the benefit of her experience as secretary of state and as a parliamentarian but as well her knowledge of the C.B.C. and its activities. A revelation such as she made deserves that she be given the opportunity to clarify what she meant and to support her contentions. I am sure there is nobody on the government side of the house who would ever suggest she would say anything that was not correct, because she was the head of the truth squad. Who would suggest that this lady would exaggerate? I know none sitting over there would; they sat with her, they know.

Now, sir, I have one or two other suggestions I should like to make. I think it can be said that the minister is trying to the best of his knowledge and his great ability to bring about changes in the criminal law for the benefit of the people of Canada. I am interested in this school for judges. There have been several occasions when I have lost cases that I concluded that a school would have been in order. But I am surprised to read of the enthusiasm with which the judges have embraced this idea. It is a novelty for judges to admit that they have something to learn or to unlearn. If the minister has succeeded in bringing about that attitude on the part of the judiciary, he will have done something that no one has ever done since the same thing was tried on Sir Edward Coke in the reign of Queen Elizabeth.

I should like to see a little action with regard to international crime. This is something that neither this minister of this government—it is the same government with a different face—nor his predecessor have wanted to investigate. I ask that a royal commission be set up on organized and international crime in co-operation with the provinces and with the Attorneys General of the various provinces joining. I suggest that the royal commission be appointed on the basis of joint recommendations federally and provincially for, if what we read is true, two or three cities in Canada are today becoming major sites for international crime and international gangsters.

Second, we hear so much about the need to have a conference of the people interested in public affairs. I think we would learn a great deal regarding these matters if the government would convene a national conference with federal and provincial representatives. A gathering could be convened which could include the Attorneys General and representatives of the Royal Canadian Legion, the service clubs, the women's organizations and church organizations. In this way we could launch in our country a national movement, a crusade if you like, to arouse Canadians to a realization that the spirit of lawlessness rampant in this nation will, unless checked, inevitably lead to a reduction in the moral fibre of the nation and constitute in time a peril to the nation's destiny.

• (3:40 p.m.)

Third, by co-operation between the federal and provincial authorities there has to be, I believe a very considerable increase in the number of police officers. In two or three states of the United States in which crime was rampant, as a result of an increase in police personnel there has invariably followed a decrease in crime.

Mr. Speaker: Order, please. I regret to interrupt the right hon. gentleman, but I must bring it to the attention of the house that his time has expired unless he has leave to continue. Is it the pleasure of the house to extend the right hon. gentleman's time?

Some hon. Members: Agreed.

Mr. Diefenbaker: I should like to see consideration given by the minister, together with the provincial Attorneys General to, the passing of a federal or provincial law, or a conjoint one, to protect honest businessmen from the intrusion by organized crime in legitimate business by means adopted today in too many cases of extortion, threat and intimidation.

Those are but a few of the recommendations or suggestions I wish to make. What we are trying to do in this house is to bring about improvements. I regret very much that I conclude where I started. So far as the provisions for the legalization of adult homosexuality are concerned, I am opposed. The Prime Minister for a long period of time has advocated that this law is necessary. He said at one time that the law had no place in the bedrooms of the nation. He had some ideas, too, about the subject of freedom of the press. They were uttered in London but they were contrary to that principle. I cannot quite understand why the Prime Minister of Canada would feel it necessary to have the police search and seek out members of the press in regard to their extramural relations.

I find it equally difficult to understand how the Prime Minister could set up—at least I thought this was the suggestion—an order of the crumb. To me that was most unusual. Members of the press were divided into two classes, crumbs and non-crumbs. That is the way famous organizations begin. I would think there would be a widespread desire, in the event that such an order were officially set up, on the part of those in the press for membership in the organization. In any event, that is just an aside.

[Mr. Diefenbaker.]

What shall I do? I am opposed to these homosexuality amendments. I think they are wrong. I have read the Wolfenden commission report backward and frontward. I know there is no individual more subject to intimidation and threat by the U.S.S.R. as it endeavours to obtain information detrimental to the security of Canada than those who are believed to be homosexuals.

On the ground of conscience I cannot accept the expansion of the law regarding abortion. When it was originally mooted I took it to be much the same as the law which has existed through the years, but it is not. It actually seems to be based on the concept that many abortions are taking place and therefore we ought to legalize them. That is also one of the arguments being advanced regarding homosexuality.

So far as the amendments regarding lotteries are concerned, all of us have our own views. I think the minister has tried his best to bring about suggested amendments which will be generally accepted. In saying that, I cannot personally support the right of the provinces or the dominion to operate lotteries.

Why do we not have a free vote? I cannot understand this. The minister says this is a government measure. Is it something unchangeable like the laws of the Medes and the Persians? Members on the government side know that they do not dare oppose the bill. If they did and the bill was defeated the result would be dissolution unless there was a revamping of the revamping of the constitutional procedure of last February. I read one hon. gentleman's statement yesterday. He said he was in favour of this measure. Another hon. member from Hamilton said that as a result of his Christian teaching he could not accept it. As between those two people, one has qualified to be a minister.

The Prime Minister and the minister say in effect: Support this bill; it is a government measure. To follow that course would be to have legislation by intimidation. Members of this house are not robots to be pushed around and to have their sacred feelings and views of the heart set aside. Members of parliament are not computers into which the Prime Minister puts the message and the computer gives the reply.

Even as I conclude I say to the minister, in the effort he is making to improve the criminal law of our country, do not place the House of Commons in the position that its members will become, as the members of the

Liberal party we described in 1957, almost the peons of parliament.

• (3:50 p.m.)

Mr. Hyl Chappell (Peel South): Mr. Speaker, I support the amendments and other changes to our criminal law proposed by this bill. I also wish to compliment the minister particularly on declaring it a government bill. There are many contentious issues, and because of this I believe the government should take the responsibility for leadership rather than leaving it to the uncertainty of a free vote. Since its predecessor, Bill C-195, was given first reading in December, 1967, the subject matter has been discussed, at least in part, I believe, by almost every adult Canadian. Because the content involves our moral and social beliefs, the entire nation has had to revalue its attitude toward individual behaviour and rethink the basis or ground rules for legislative interference with individual freedom.

Many people have made their views known to hon. members and we have had an opportunity to pass our suggestions to the minister. Seldom has proposed legislation stimulated so many to become involved in the legislative process. I have received hundreds of representations with respect to lotteries, control of firearms, the compulsory use of the breathalyzer and other subjects of the bill, and have communicated my thoughts to the minister. Because I have received so many representations, both personal and by mail, in respect of abortion I shall give my views here in this house.

The amendment respecting abortion has raised the greatest conflict. Why is this? Some regard the foetus as a human life. Needless to say, if one accepts this premise it would indeed be difficult to pass judgment as to which life should be saved as between the foetus and the mother. Personally I cannot accept this premise and do not believe it to be a life, certainly not at the stage when therapeutic abortion is possible.

There is no agreed-upon definition of when, if ever, short of birth, the foetus becomes a human life, but by inference the law does not accept the foetus as a human life and regards it as a potential life only. The difficulty arises when individuals and groups adopt their own, and thus differing, definitions as to what the foetus is. Religious and philosophical discussions do not help much. Medicine recognizes there is a life of a kind in the foetus but it is, of course, a wholly dependent life. The law recognizes a potential life which warrants protection and for which one may make provision, but at the same time it clearly recognizes the foetus as only a potential human life. At the other end of the scale, and from a practical point of view, many regard the existence of the foetus as only a physical condition of the pregnant female and that the life and health of the female stand paramount and should be the only consideration.

In the new British act, abortion is referred to as the induced termination of pregnancy, that is, the termination of a condition, which lends support to the view that pregnancy is only a condition of a female. Obviously, if the foetus is not a human life, our only concern from the social or legislative standpoint is the life and, less directly, the health of the mother, the pregnant female. To be diverted from this stand through a prolonged and indefinite discussion concerning the validity of the belief that the foetus is a human life merely prevents us from directing our minds to the real issue, namely, the preservation of the life and health of the pregnant mother.

If the purpose of the legislation is to put the life and health of the pregnant woman first, the age or moral status of the female in question should not make any difference; it is simply a matter of health science.

Until last year the relevant provision of the British legislation read as follows:

> —whosoever, with intend to procure the miscarriage of any woman, whether she be or be not with child, shall unlawfully administer to her or cause to be taken by her any poison or any noxious thing, or shall unlawfully use any instrument or any means whatsoever with the like intent, shall be guilty of felony.

This section came into existence in 1861, and as interpreted by the courts it means that in England since 1861 a therapeutic abortion to preserve the life or health of the mother has been lawful. That was also the law in Canada, as expressed by a court in Saskatchewan in 1909, until by a drafting error the word "unlawfully" was omitted from the Canadian section which was similar to the English section. Did this drafting error throw us back and beyond the law of 1861 in respect of therapeutic abortion?

Since then, although the law in England remained constant until further clarified in 1968, there has been a cloud of uncertainty in respect of the Canadian law. Judicial pronouncement in England recognized that health could be depressed to such an extent that life was shortened, and the continuance

of the pregnancy could make the woman concerned a mental as well as a physical wreck. Again, until the change in England in 1968 it would appear that any abortion in England, if done in good faith for the purpose of saving the life or health of the mother, was not a crime.

This could have been the subjective test of a doctor and possibly others. The change in England in 1968 spelled out the need for two doctors to agree, in good faith, that the continuance of the pregrancy would involve risk to the life or health of the pregant woman, which includes her physical and mental health and also the health of any existing children.

What has been and, particularly, what is now the law in Canada? Some take the view that the courts would read into the section the word "unlawfully" so that our law would be the same as it was in England until 1968, and was here for so long. Others are of the view that any abortion would be illegal and the doctor could be charged, no matter the justification from a medical standpoint. In fact, a doctor could find himself in the impossible situation where he could be charged criminally if he performed an abortion and sued civilly if he failed to do so, if such operation might reasonably have saved the mother's life. But even worse is the moral conflict in the doctor's mind. Medically and privately he may feel a duty to end the pregnancy to preserve the life or health of the woman but is faced with a possible criminal charge or at best the public charge of practising close to the line. This would also apply to those assisting the doctor, and the patient could be embarrassed.

One thing is certain, that under Canadian law the uncertainty is such that the medical profession and all its patients have a right to demand that we, the legislators, make the law clear and positive. The amendment would restate the law as it was in England as of 1861, was here for so long and may in fact still be the law here, but it goes a little further. Whereas in England there were no safeguards until 1968, the amendment would provide adequate safeguards similar to those now in force in England, namely, the termination of the pregnancy must be carried out by qualified medical persons, in accredited institutions, after approval by more than one doctor. This, in my opinion, puts the subject where it belongs, in the hands of the medical profession, in hospital, as with all other matters of health.

[Mr. Chappell.]

I have received hundreds of representations arguing with much force indeed that there should not be any restriction, that because it is a matter of health it should be left to the woman in question and her physician, as is the case in all other matters of health. However, this is not only objectionable but offensive to a large portion of our population. Therefore we are faced with two opposing philosophies, those who wish complete freedom and those who would deny abortion under any circumstances.

• (4:00 p.m.)

At times, and on some issues, compromise is essential. The proposal in this case, though not completely satisfactory to either group, should be acceptable to both. Those who wish greater liberty in making individual decisions would obtain clarification of the law, enabling abortion to be carried out under control. Those who are against abortion under any circumstances would succeed in obtaining a reasonable restriction.

May I remind those who are still reluctant to support the proposal that the law as it now stands is uncertain and confused, and that should abortion be denied when the life and health of the mother are at stake, that is to say, should the mother be denied protection from death because the medical profession is prevented from acting, we would be maintaining a law so inconsonant with today's view of individual rights as to bring it into disrespect and force people not only to hold it in contempt but to disregard it.

We cannot allow personal philosophical interpretations to deprive those who have satisfied their own consciences, and seek protection for their own lives or health, of the benefit of today's medical science. In conclusion, may I point out that no one is required to submit to, or participate in, any termination of pregnancy against her or his will.

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, members of parliament are now discussing a matter which, for some of us, goes to the very depths of our consciences. I wish to say at the outset that I am not here to exchange consciences, and perhaps that is a good admission to make. Neither am I here to choose sides about quality of consciences, although I myself will have no difficulty in supporting all these proposals but one which I shall discuss in a minute and tell hon. members, if they care to listen, why I find it unattractive.

The United States has just been engaged in an election campaign during which many of those who sought solutions to the social problems of that great country took refuge in simplistic slogans. One of the slogans which was trotted out was "law and order". If one reflects upon it, Mr. Speaker, there is presumably a good deal of law and a fair amount of order in any federal penitentiary or in any jail. In other aspects of institutional life, too, there is presumably a good deal of law and order. But those who had the wit and the ability to criticize oversimplified views with regard to the crushing social burdens of our great neighbour, some of which, unfortunately, we share, were quick to point out that law and order without justice is a concept repugnant to civilized man.

Although at times I think our optimism can be challenged by events I do, on the whole, share the view of one who is not always optimistic about the human condition, Mr. Philip Toynbee, when he says the general level of morality is higher than it has ever been in the past. He bases this statement on a general improvement which he has discerned in our concern for others. This is a statement which the minister in his preoccupation with certain aspects of this legislation would, I believe, approve. Certainly I would. I might refer at this point to an aspect of the legislation which has not been discussed very much, the changes in the provisions governing the national parole board. I, for one, welcome these changes.

If improvement is measured on the basis of our concern for others, let us get right down to the tough question, that of abortion. We have been flooded with extreme statements on this issue by those who in their concern or alleged concern for life are so immoderate in their views as to make one doubt whether they really have a fair understanding of the issues which parliamentarians have been asked to face. In the December 7 issue of the *Saturday Review* I came across what I submit to be one of the fairest statements on this subject that I have read for a long time. It was written by Dr. Robert E. Hall and is one of a series of articles entitled "The Child—What Science Is Learning about Human Personality and Growth". This particular article is entitled: "His Birth Without Permission".

• (4:10 p.m.)

Before I read the paragraph I have in mind, may I reflect on something that puzzles me in connection with this issue. It seems odd that it is always men who appear most preoccupied with discussing this question. I hope, with great respect, that the hon. member for Vancouver-Kingsway (Mrs. MacInnis) will enter the debate shortly. I wish there were 50 or perhaps 150 women members of parliament who could discuss this subject. It smacks of vanity for a man to discuss a topic which concerns something that womanhood should decide. Everyone is hung up on the issue of abortion, although methods of dealing with it represent a relatively new encrustment on both ecclesiastical and civil law. Until 1801 in Britain there was no law on abortion; the right to terminate pregnancy was left with the woman. In the Roman Church until 1865 there was no dogmatic rule concerning abortion. What we are discussing is the so-called civilized man's aspect of a problem that is really a problem of the woman. Having entered that caveat, I find that I can override my own concern for presumptiousness and discuss the issue. A paragraph from the article is as follows:

> Abortion is a medical issue only because it is the doctor who wields the necessary instrument. He is no better able to judge who qualifies for an abortion than the patient's minister, the patient's lawyer, or the patient herself. Who of these four principals would you deem best suited to make such a decision? I would argue that the pregnant woman, with the counsel of her doctor and the concurrence of her husband, should be allowed to decide for herself. Realistically, of course, she cannot. In the final analysis the decision rests with the politician and the priest.

Although I feel that the provision in the bill is too restrictive, a view that remains unaltered having heard not only the minister's speech but other speeches, speaking as one politician I am prepared to shift that decision to the pregnant woman.

As to the issue of homosexuality I have had, as I am sure the minister and other hon. members have, some extraordinarily cruel letters about what is a psychiatric and medical problem. It appears from some letters that the nation as it is about to deal with this problem is headed down the road to hell. I am prepared to take my chance, though that may be a rather profane thing to say. Nevertheless the issue has to be faced. The government of the United Kingdom faced it. The United Kingdom faced it, first of all, in the House of Lords, because it was from there that a committee was formed to study the issue, as a result of which the Wolfenden report made its recommendations.

I for one would have no difficulty with my conscience, if that is the way one judges a

vote, in supporting the change proposed here by the minister. I believe that homosexuality or homosexual acts between consenting males, unpleasant as that is to contemplate, are nevertheless a case for the most compassionate, sympathetic understanding on the part of civilized men and women. I think that this bill has that objective in mind.

With regard to gun control, the other day the National Rifle Association Journal contained a message to the widow of the late President John Kennedy saying that they had noted with regret that he had died, and then in an editorial in the same issue discussed the U.S. constitutional provisions with regard to the right to carry sidearms. I do not suppose that any more bitter illustration of a lobby gone rampant could exist.

I think that the changes proposed in this bill are essential. I am glad the bill is now before the house and that some changes have been made in the original proposals contained in the previous bill, C-195. Some provisions I had hoped to see are not included in the bill. I had hoped that consideration by the committee on justice and legal affairs of the issue of wiretapping and electronic eavesdropping would have been farther advanced. I recognize why it has not been, but this problem has to be faced soon by parliament. The proliferation of wanton snooping without any imprimatur of legal or judicial authority is to me most offensive. I hope the government will urge the committee on justice and legal affairs to complete its study of this matter, and that the house will soon have before it a further amendment to the Criminal Code condemning this type of activity.

In his speech the minister emphasized, I think quite correctly, the human rights aspect of the Criminal Code. I hope that on his various excursions about the country to discuss law reform with lawyers, who tend to be conservative types, the minister will be able to prevail upon the bar to accept the traditional right—in fact, it should be more than traditional; it should be a current right—of all members of the public to counsel. It troubles me that the bar has often to be reminded to assume a responsibility that has long been part of its tradition. No one should have to shop around for counsel. When the minister addresses the Canadian Bar Association I trust he will underline the importance of the acceptance of responsibility in this particular area of the law, though those who attend the meetings of the association are usually those who readily do so. But having said that I think there is an obligation upon lawyers to fulfil their duty in this regard. The legal aid systems that have been set up in some of the provinces are looking after this problem, in some cases better than in others, but there are still gaps that need to be filled.

Perhaps I have not given the philosophical arguments for supporting the various so-called conscience sections of the bill. I accept the view of many in my party that it would have been easier to discuss the four major aspects of the bill separately in that we would have readily been able to exercise our individual vote. But that does not in any way inhibit me from supporting the legislation.

The issue I warned the house I had some doubts about is lotteries. I have doubts because I have been in various countries of the world which operate state lotteries. Such a lottery is a most unpleasant feature of their national life and is a very poor way of raising money. For example, the so-called Irish sweepstakes hands over very little of its revenue to the Irish hospitals—I understand about 12 per cent, or 12 cents of very dollar. I think this gives that fine country a poor name in the world, as do the national lotteries of so many other countries. If the state requires money for education and hospitals, then the ethical way to raise it, in my opinion, is by taxation spread fairly among the people. To try to grub for money in this way diminishes, I think, the national prestige of a country. But even though I feel this way I will not resist the important changes contained within the ambit of the bill.

• (4:20 p.m.)

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, no one can fail to be impressed by the serious tone of this debate. Some hon. members have already had a chance to speak their minds on this bill. There are members of my party who share the views of the hon. member for Hamilton Mountain (Mr. Sullivan) who spoke last Friday. I am glad to live in a country where hon. members such as the hon. member for Hamilton Mountain and others can speak their minds on clauses of a bill in such a way as not to leave their constituents in any doubt about where they stand. I am afraid I cannot agree with the right hon. member for Prince Albert (Mr. Diefenbaker) that hon. members are being muzzled and cannot speak their minds on this bill.

Our leader has made known the general attitude of the N.D.P. caucus to this legislation. Various hon. members of our party will

deal with different clauses of the bill in detail, and as a result there will be no repetition by members of this party. As a group we wish to talk about the entire bill, and it is up to the individuals in our party to choose the various clauses on which they wish to speak.

With the hon. member for Winnipeg North Centre (Mr. Knowles) I was a member of the health and welfare committee which studied abortion in 1967-68. It has fallen to me to deal with the abortion section which, from remarks so far heard in this debate, appears to be the most contentious section of the entire bill. Some hon. members of our caucus, in common with members of other caucuses, are deeply disturbed by some of the amendments. They want no part of legislation designed to deal with abortion. We appreciate their position and honour their adherence to what they believe to be right. Yet we disagree profoundly with them. We also have principles and we also must speak on behalf of those things we believe to be right.

One of the most compelling reasons for one to support the amendments pertaining to abortion is to allow those who believe in the concept of abortion the right to follow the dictates of their consciences and remain within the law. Today they do not have this right. I believe the majority of the Canadian people wish to have that right. According to the only Gallup poll I could find on this question—it was taken in 1965—71 per cent of the Canadian people wanted the abortion laws to be modernized. I cannot believe that that figure is lower now.

Not many members of this house have had direct experience of abortion. I know that neither the hon. member for Fundy-Royal (Mr. Fairweather) nor I have undergone an abortion. But that should not prevent our dealing with the question of abortion. Because we may not be in any danger of falling over a cliff should not prevent our agreeing to provide an ambulance for those who have done so.

We have heard much in this debate from hon. members opposed to abortion. Let them think well of what their remarks entail. Do they insist on imposing their views on those who consider it their right to follow their consciences in this matter? No one will force abortions on people opposed to them. No one is proposing to force physicians who do not approve of abortions to perform abortions. Those who oppose the concept of a woman's right to an abortion ought to realize that public crime and private sin are entirely different matters. On this question I commend the insight of the Prime Minister (Mr. Trudeau), because he was quite right in saying the law has no business in the bedrooms of the nation.

I agree with the hon. member for Windsor-Walkerville (Mr. MacGuigan) who said that if our statute books contain unenforceable laws the law will fall into disrepute. The law pertaining to abortion is unenforceable. That point was brought home by religious as well as non-religious groups opposed to our party's stand on this question. Our position was that since an unenforceable law brings the law into disrepute the present law on abortion, being unenforceable, bringing the law into disrepute.

Moreover, I submit that as well as being unenforceable the present law is unjust. At present a pregnant woman may obtain an abortion in Canada safely, not legally but safely, if she has the money for the operation. Or she may obtain an abortion by taking a ship or aeroplane to another country where abortion is legal. On the other hand, while the present law is retained the pregnant woman without money has no such option. She must bear her child no matter whether it has resulted from rape, incest, accident or any one of a number of causes ruinous to her future and her health. She must bear the child or seek an illegal abortion with all the attendant risks of infection, mutilation and death. Those are her alternatives.

I am glad the Minister of Justice (Mr. Turner) is seeking to abolish a law which, in effect, means there is one law for the rich pregnant woman and another for the poor pregnant woman. A law like that ought to be swept away. It makes criminals of pregnant women who are caught in the trap of pregnancy and need to have an abortion. It makes criminals of doctors seeking to help pregnant women. Recently in Vancouver a highly respected doctor was convicted of performing abortions and was evicted from his profession. He performed abortions only because he could not bear the suffering of unfortunate women who could not face the consequences of their rash acts, and I emphasize the fact that they have not done that rash act alone. I point out that in no instance where an abortion has come to the attention of any hospital board has the pregnant woman alone been responsible for her condition. It has taken a man as well as the woman to bring about that condition. Society must deal with this problem instead of leaving, in many cases, poor,

ignorant, friendless women to bear the burden of a situation which too often they are obliged to face alone.

• (4:30 p.m.)

One of the "guesstimates"—they were not even estimates—given to the standing committee on health and welfare was the number of illegal abortions performed annually in Canada. The committee heard from Dr. Donald M. Lowe, a former chairman of the Ontario Medical Association's committee on abortion. His figure was that between 25,000 and 75,000 illegal abortions are performed in Canada every year. That is an enormous figure when one thinks of it in terms of the women involved, of their plight and of the cost to society. That estimate was the low one among those we were given. Estimates were also given at several times that figure. But I agree with the statement by the Association for Modernization of Abortion Laws in Canada that there is no need to waste time now on a futile numbers game of trying to guess the number of illegal abortions in Canada every year. The tragedy is that we do not know, nor have we any means of finding out. No steps have been taken to obtain this information and the worst of it is that in the past we just have not cared.

What we do know is that last year Jean Paul Gilbert, Montreal police director, stated in a letter to the committee that authorities in Montreal's major hospitals had reported as follows:

> Hardly a day goes by without a woman coming or being brought to the hospital after an attempted abortion.

What is true for Montreal hospitals is true for hospitals in Toronto and Vancouver and in a comparative degree for other hospitals across Canada. What about the many, many more women all across Canada who suffer mutilation and sometimes even death as a result of do it yourself projects with knitting needles, acids or any one of a dozen other instruments never meant for that purpose? There are also those who suffer at the hands of backstreet butchers who claim to be abortionists.

The choice now before us is not whether we are going to have abortions. That has already been decided. If we refuse to face the present situation and try to sweep it under the rug, pretending it does not exist, illegal abortion is going to continue to grow in this country. We have had much evidence to that

[Mrs. MacInnis (Vancouver-Kingsway).]

effect. It will not be stopped. Ever since the dawn of history women have not been stopped in this matter because the sanctions of society against them are such that they cannot face these situations. They cannot stand them economically or socially and they mean personal tragedies which these women are not able to bear, causing them to seek the abortionist wherever he can be found. If not a legal abortionist, then they must find an illegal one.

One of the French speaking members to my left referred to people who wish to see changes in respect of abortion and other matters, such as proposed in the amendments to the Criminal Code now before us, as those who love darkness, evildoers, and that sort of thing. In my opinion the people who love darkness are those who are closing their eyes to the terrible predicament of women from one coast to the other who are caught in the pregnancy trap and have no recourse because the lawmakers of this country up to this point have given them no recourse. It is our job to change that picture.

I was pleased to hear the hon. member for Fundy-Royal say he wished there were many women in this house. So do I. Thank heaven there are a great number of civilized men in the house who realize that this problem is not merely a case of rushing to the assistance of women. There is that too, but the problem has been tied up for a long time in an impossible situation. Surely it is not a situation that can be met by quotations from religious or philosophical authorities who lived centuries ago. Surely it is an intolerable situation calling for action in line with modern needs and modern thinking. It is a problem with which we have to grapple.

I am not going to get into theological arguments because the committee has had plenty of theology on both sides of the case. The hon. member who preceded me stated there were two sides to this question, those who wanted wide open abortion on demand and those who wanted nothing whatever to do with abortion, leaving it illegal. I believe there are those in between, those who want a reasonable approach to this problem with reasonable measures for solving it.

The amendments now before us clarify the existing law. That is good. They add the word "health" to the existing legislation. At the present time an abortion can be performed only in cases where the life of the mother is gravely in danger. The new amendment will add the word "health". In other

words, the fact that her health is in danger can be a reason for a legal abortion. This is very good as far as it goes. There are those in this house and in this country who consider that this amendment goes dangerously far. I know this because I was on the committee. There was a great deal of argument as to the meaning of the word "health". These amendments are important but they are scarcely world-shaking.

At this point I would like to commend the hon. member for Hull (Mr. Isabelle) on his excellent speech last Friday. He is the chairman of the Standing Committee on Health, Welfare and Social Affairs. There is no one in a better position to know the scope of the abortion discussion which goes back many years. The hon. member's speech was excellent, surveying as it did not only what the word "health" denotes but the whole history of thinking and legislation in regard to abortion.

I have heard discussion in this house as to why the word "health" in this amendment is not defined, that we do not know what is meant by the word "health".

I think the best definition of the word "health" is the one by the World Health Organization which states that it is:

> A state of complete physical, mental, emotional and social well-being—

I think that is how the word "health" should be defined in this legislation and I wish it would mean just that. Before I conclude I will give the Minister of Justice my recipe for making it mean just that. Measured by this yardstick, the amendments now before us fall short in the following respects.

• (4:40 p.m.)

First of all, they make no provision to terminate a pregnancy where it is practically certain that a deformed child will be born. To put it bluntly, I think it is a crime that we have a law which says it is illegal for a physician to perform an abortion even though he knows there is grave danger of a deformed child being born. I do not believe that such an abortion ought to be illegal. Mind you, even in this case I believe that the pregnant woman or the parents ought to have the right to decide. I think a doctor has the right to lay before the woman the consequences of the continuation of her pregnancy and then ask her: "Do you want an abortion or don't you?" I think the woman has the right to decide, and I want to add that in my opinion a great many women faced with the decision of giving birth to and bringing up gravely deformed children would make their decision in favour of healthy life instead of deformity. I believe most women would do that. But this legislation makes no provision for a situation of that kind.

Neither does the legislation make provision to terminate a pregnancy that has been caused by rape or incest. I think this is the logical place to insert a provision making legal the termination of a pregnancy that is the result of rape or incest. I ask hon. members to consider the feelings of those two young girls, recently raped in Toronto by a gang of hoodlums, should either of them prove to be pregnant as a result of that experience. I ask hon. members to consider the feelings and the future of those two girls and to understand how strongly a great many women feel about the necessity of legislation to cover situations of that type.

In such cases these young fellows are sentenced to jail for a few months. But the girl gets life—the ruin of her whole life—as the result of an action of which she is almost always, if not always guiltless. Hon. members may say that a girl should not be consorting with such people, but these little girls in the case about which I am speaking came from the country. They had no concept of what could happen in big cities, of what in fact happened to them.

The proposed amendments do not touch the situation where a mother becomes pregnant accidentally. I am speaking of a woman who is already the mother of a very large family, who has not got adequate means or the prospect of adequate means to look after her family, to feed, clothe, shelter, and above all, educate her children, and where the addition of one more child will endanger the situation of the children already existing.

If we are bringing the Criminal Code up to date on abortion I think it should include at least the equivalent of the British social clause which provides that where the birth of another child will put the family of the pregnant woman in jeopardy, her existing family, it shall be legal to perform an abortion. I believe this legislation should include that option because I believe it is wrong, the way the world is today, to bring a child into it if that child will jeopardize the mother's future and the future of existing children, to say nothing of its own.

However, Mr. Speaker, the proposed amendments are an advance over what we have had. We in this group are going to support them if we cannot get anything better. But we are going to try to get something better, both in the house and in the committee, and I make no apology to hon. members for taking a little time to explain what we want.

As my parliamentary leader explained the other day, we in this group would like to see abortion deleted from the Criminal Code. We would like to see it taken out completely in the same way that birth control, before this session is finished, is going to be taken completely out of the Criminal Code. Neither one of these is a criminal matter. Both are medical matters. They belong in the province of medicine rather than in the province of the law.

I have a bill on the order paper which would provide for this and I hope the minister will consider looking at it from the point of view that I am putting forward. First I had better point out what my bill in general terms proposes. It would leave the matter of abortion entirely for decision by the medical profession, the pregnant woman and anyone intimately concerned with her. The decision is ultimately that of the woman. It cannot be the decision of anybody else. I do not believe in the postcard approach, the demand approach. I believe that the woman should and must approach a physician for consultation. When this consultation takes place I believe that in the majority of cases, where the pregnancy is reasonable, it would be continued.

I have mentioned those intimately concerned with the woman in the matter. The hon. member for Fundy-Royal has referred to including the husband. I believe that in a decent marriage the husband, of course, would be consulted about such a decision. But there are other cases where marriages have broken down and other influences are at work. Even though he is not married to the woman, I believe that very often the man responsible for fathering the child would be a good person to be included in this type of consultation with a doctor. In the case where a girl is very young, is under age, I believe that her parents ought to be in on the consultation. If the girl is friendless I believe that a social worker or someone of that type should take part in the consultation. At all events I believe that the medical profession can well be trusted to make this momentous decision in consultation with the pregnant woman and whoever is closely associated with her in the problem.

What will this approach do so far as the pregnant woman is concerned? It will give her what so many women do not have now, the right to bear healthy, wanted children as a result of her desire to have children. To my mind it is the height of irresponsibility for people to bring into today's world children who are deformed and who cannot be brought up and educated as today's children should be brought up and educated.

What will this approach do so far as the foetus is concerned? I think it will give the foetus the right, in many cases, not to be born. To my mind the right not to be born is very important in a great many cases. At a later date one of my colleagues is going to describe just what it means to be born mindless and deformed, almost beyond human recognition, and having to go on living for years and years as a result of our legislation and the mores lying behind our legislation.

As I say, so far as the foetus is concerned this approach gives it the right not to be born or, looking at it from the positive angle, the right to be a wanted child. Social workers and others who have dealt with many children who have been unwanted know that the right not to be born is an important right in many cases. Until we can provide the right for children to be wanted we should not worry too much—we should not be so proud of supporting the right to be born.

• (4:50 p.m.)

Children who are moved around from place to place, children who are moved from one foster home to another, children who are never wanted and who never fit into things—there are the other kind too—are living examples of the fact that children ought to have the right to be wanted, loved, cared for and born into a home where they are wanted. So far as the doctor is concerned, this stand will give the doctor the right to do legally what his conscience prescribes. I am afraid that under the minister's bill many doctors, if they wish to follow their conscience, will in many cases still have to perform abortions illegally because there are some types of pregnancy whose termination is not provided for under the bill. If doctors are to be large-spirited and humane they will still have to conduct illegal abortions even under these amendments.

I believe that the approach of giving the doctor the right to decide in consultation with

the patient would obviate the danger of illegality. No one will force a doctor against his conscience to perform an abortion. So far as society is concerned this approach would give to society the right to have children who will have an opportunity to become good citizens. We might look at the pedigree of those young men who were convicted for a mass rape the other day. Look at the kind of homes they came from and the conditions in which their parents were forced to bring them up. If you look at these things you will understand what I mean when I talk about the need of society to be in a position to ensure children an opportunity to become good and wanted citizens.

The argument has been made that in other countries with wider abortion laws there have been difficulties. There has been a tremendous increase in the number of abortions performed. This is true partly because there had been a tremendous backlog of requests for abortions to be dealt with. There were women who were formerly unable to obtain abortions and who wished to obtain them. In addition, there was a great deal of unnecessary red tape and difficulty in ironing out the bugs in the systems in these countries for dealing with abortion.

I suggest that one of the things we might have is a referral centre or clinic to which women who want and need an abortion could be referred. Such a clinic would have a trained staff including doctors, as is the case in respect of birth control clinics, so that a woman could come there and have her abortion dealt with in the very early stages of pregnancy without waiting for the stage at which it becomes dangerous, difficult and disgusting even to the physician who has to deal with it.

Birth control is the first line of defence. It is not legal in this country, and we need much more widespread knowledge of contraceptives and much more widespread use of them. Birth control would cut down the need for abortion to a great degree but would not do away with the need for abortion. There would still be a great many cases where it would be required.

I conclude by making a plea to the members of this house. I shall do so by quoting from the explanatory notes to my bill:

> In a pluralistic society such as Canada it is possible in a number of matters to allow some people to carry out their own beliefs in action without infringing on the freedom of others to follow a different course of action.

> Such is the matter of abortion. The purpose of this bill is to permit those who believe in the necessity of abortion to seek it legally. Those whose conscience is opposed to abortion may continue, as in the past, to have nothing to do with it.

In view of the fact that we shall never in our lifetime, even in the lifetime of the youngest member here, reach a consensus on this matter, surely we should be thankful that heaven has made it possible for us to have two right courses. There is the right, on the one hand, of people who believe that abortion is criminal and against their better judgment to have nothing to do with the legislation. On the other hand, we can have freedom of conscience and action for those people who believe in the necessity for abortion and who believe in the justice of updating the abortion laws of this country. I do not see any reason why even those members who believe that abortion is wrong cannot weigh very carefully the measures in this bill and then search their consciences to see whether there is anything very wrong in letting an amendment pass which they do not have to be bound by in order to permit those people who do believe in it to have freedom of conscience. Although the abortion section of the bill may be wrong in their minds, they would be voting for many other measures which are long overdue. I ask, what could be fairer than to have the right for both sides in this matter to follow their consciences?

Mr. Ralph W. Stewart (Cochrane): Mr. Speaker, I rise to speak in this debate because I feel it is my solemn duty to go on record in opposition to one of the clauses of the proposed amendments to the Criminal Code. I do it even at the risk of being considered uncivilized by the hon. member for Vancouver-Kingsway (Mrs. MacInnis).

Mrs. MacInnis (Vancouver-Kingsway): No, I said I respected such people.

Mr. Stewart (Cochrane): It is a privilege for me to belong to a government which respects individual opinion and conscience. There are those in this house who have claimed in recent days that members of the government are being coerced into accepting the whole bill. Nothing could be farther from the truth. If that were the case I would not be standing freely in my place at this moment to express an opinion contrary to the proposals of the government. The right hon. member for Prince Albert (Mr. Diefenbaker) said that members are not robots or computers to be pushed around by the Prime Minister. No, we are not computers or robots and the Prime

Minister has never at any time insisted that we follow exactly what has been proposed in this measure. He has allowed us a free conscience in this matter as in all matters. In fact I think it is fairly obvious to the country now that not only does the Prime Minister permit us our own ideas but he encourages us to express them. He even sends out little feelers so that people will take up the bait and develop their own ideas. I think this is proper in the new politics we have in Canada and I welcome it.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): Order. It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Dominion-Provincial Conference—possible increase in old age security benefits; the hon. member for Villeneuve (Mr. Tétrault)—Solutions to Help Poor in Canada; the hon. member for Cochrane (Mr. Stewart)—Medical Director—Moose Factory.

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.

• (5:00 p.m.)

NOTICES OF MOTIONS

INCOME TAX ACT

SUGGESTED AMENDMENT REGARDING $500 EXEMPTION AT AGE 70

Mr. Warren Allmand (Notre-Dame-de-Grâce) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act so that the additional $500 exemption presently granted to Canadian taxpayers under section 26 subsection (e) when they reach 70 years of age be granted at 65 years of age and that section 26 subsection (f) be repealed.

He said: Mr. Speaker, on re-examining my own motion this afternoon I notice there is a typographical error as it is printed in Orders of the Day. It should read "under section 26 subsection (1)(e)", and in the last line "section 26 subsection (1)(f)". The figure "1" has been left out in each case, but I think most hon. members who are prepared to debate the motion understand exactly the principle which is being put forward.

This motion requests an amendment to the Income Tax Act to grant the additional $500 exemption at age 65 which is now granted at age 70. The act at present, in section 26 (1)(e), states that a taxpayer can have an additional $500 exemption if he has attained 70 years of age before the end of the particular year. In other words, all taxpayers in Canada are granted an additional $500 exemption when they reach age 70.

A few years ago, in 1965, we added paragraph (f) to section 26(1). That paragraph states that the $500 exemption shall also be given to people who are over age 65 but are not receiving the old age pension. I feel that this law is inadequate. As I said at the beginning, the present law grants an exemption of an extra $500 to older persons. This provision was introduced at a time when the old age pension was given at age 70.

As hon. members know, a few years ago old age pensions of $75 were given at age 70, which meant $900 per year. At that time it was logical to grant the extra exemption at age 70 because the pension was given at age 70. However, under the last government headed by Mr. Pearson amendments were introduced to the Old Age Security Act and several things were done. First of all, a guaranteed income supplement of $30 was provided. Second, provision was made to increase pensions each year in accordance with the cost of living up to a limit of 2 per cent. Third, it was provided that pensions would be paid one year earlier each year until by the year 1970 they would be paid at age 65. This means this year the old age security pension is being paid at age 66 and that next year it will be given at age 65.

With these amendments to the old age security law we have the situation that a person can receive approximately $109 per month this year owing to the increase in the cost of living. This amounts to approximately $1,310 per year. However, if a pensioner is between 65 and 70 years of age he will only have an exemption amounting to $1,100, which means that the poor elderly people who have nothing but the old age pension and the guaranteed income supplement must pay income tax whereas people in the same position over 70 years of age will not have to pay income tax. This is a little complicated so perhaps I should repeat it.

Everyone over 70 years of age gets an extra $500 exemption which makes a total exemption of $1,600, well over the amount they receive from old age security and the guaranteed income supplement. However, people who retire, have no other income than the old age security pension and the guaranteed income supplement, and are between the ages of 65 and 70, only have the $1,100 exemption and therefore have to pay tax on a small amount. The tax is not much, but for many of these old people it is a great bother to fill out income tax forms since they are getting so little money. They feel it is a great injustice since those over 70 receiving the same income do not pay taxes at all.

Perhaps it has been an oversight in the last few years that there has been no amendment to correct this injustice. I have written to the minister on several occasions suggesting this reform of the Income Tax Act, but so far nothing has been done. I have been informed that the amendment I have put forward is being considered in conjunction with other amendments. However, I felt it necessary to introduce this motion in an attempt to get something done and to remind the government, the minister and his officials of this particular need.

The law as it now stands is not logical. The $500 exemption should be given to all persons over 65 years of age. This is the logical age because most people are retired by their companies at 65, and it is at this age that their earnings decrease considerably. They stop working and no longer receive regular paychecks. Most of them rely on old age security pensions and company pensions. In addition, they are beginning a period of their life when they are on fixed incomes.

People who retire at age 65 may have to live for 10 or 20 years, at least those who are lucky enough to have good health, on the same income they receive at age 65. During the inflationary period we are experiencing, which has been particularly serious in the last few years, the purchasing power of these fixed incomes has become less and less and it has become more and more necessary to provide greater relief for these people. I submit it is most appropriate that this extra exemption of $500 be given at age 65 so that the law will be made logical and reasonable throughout.

I mentioned the problem of inflation in respect of people on pensions and fixed incomes. I have also pointed out that the government has provided a certain increase in pensions each year in accordance with the cost of living, but there is a limit. Personally I would like to see government pensions increased each year without any limit but in strict accordance with the cost of living. Sooner or later this will have to be done. I should also like to see private pensions increased by companies on the same basis. Some of these pensions operate on this basis now, but I am sure the day will come when most of them will have to follow the cost of living index if they are to be reasonable. There are probably other measures which could help the old age pensioners. This is only one specific measure which I hope the minister will seriously consider.

When the guaranteed income supplement was introduced in the house I strongly supported it. I believe that pensions of this type provided by the government should be given to the people who can really use the money. We should give more to those people and less to those who have large private incomes. As a matter of fact, I would probably support a guaranteed income supplement up to $150, with less money going to those who have other sources of income. I think it is scandalous that the most our old age pensioners can get in this year 1969 is a little more than $109, whereas some old age pensioners are receiving the $75 pension from the government as well as large private pensions from their companies and other sources.

• (5:10 p.m.)

I will not spend much time on this measure, Mr. Speaker. The Minister of Finance (Mr. Benson) has announced that in the spring he will present a completely new tax act in which exemptions will be rationalized and will be logical in the light of other provisions of the law. Therefore I await his proposed bill and look forward to seeing amendments in it which will give the old age pensioner a more reasonable exemption and a better way of life.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have had occasion to oppose proposals made by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). It is also true that it is a bit of a pattern around here to be critical of propositions made by members of other parties. But both of these approaches can be forgotten on this occasion. I offered to second the hon. member's motion, and except for the typographical errors he has had to correct I support it without reservation. I agree with the hon. member that

this is not the only thing we ought to be doing for our old age pensioners. I believe that the basic amount of the non-means test pension should be increased. I believe we will have to establish an escalator provision in the old age security pension based not just on the cost of living but on the rise in the standard of living. As a matter of fact, I still think it was a fundamental mistake when we wrote the cost of living escalator into the Old Age Security Act and did not at that time base the annual adjustment on the wage index, which reflects a little more accurately the rise in the standard of living.

So I might go on with things that I believe ought to be done for our old age pensioners. I also agree with the hon. member—perhaps I might be pardoned for saying I am glad to hear he agrees with me—that pensions generally, both public and private, must be put on a basis so that they go up after people retire, or our whole pension structure may fall to the ground.

Having said that, what is before us today in the hon. member's resolution is one simple proposition that I think the government ought to accept without any delay, namely, that the difference between pensioners 70 years of age and over and pensioners between 65 and 70 years of age, so far as their income tax exemption level is concerned, should be wiped out. I well recall when this extra $500 exemption provision was presented to parliament. I was here then, as I was some years before that time. It was on May 18, 1948, when the Hon. Douglas Abbott, then minister of finance, made this statement as recorded in *Hansard* for that day, at page 4066:

> In the field of personal income taxes, I am proposing one change of significance which will, I believe, be accepted with commendation on all sides of the house. Having in mind the large number of elderly people living on small fixed incomes, and out of consideration for the particular trials and increased expenditures that usually come with advancing years, I am proposing that an additional exemption of $500 be granted to a taxpayer of 65 years of age or over. Many of these elderly people living on small pensions or other forms of fixed income with no opportunity to participate in the increased wages, salaries or profits enjoyed by other sections of the community, are particularly hard hit by the higher costs of living which present boom conditions have brought about. This group of our citizens is entitled, I think, to special consideration at this time.

Mr. Allmand: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I say to our friend, Mr. Justice Douglas Abbott, who has gone to higher realms, well said in 1948, and it still applies today. As hon. members know, this change was made at that time as a concession to those of us who were trying to get something done about the old age pension. We were trying to get the amount increased and the means test removed. The government had not yet seen its way clear to do what we were asking, so this was a bit of a concession. But even though it was presented in that spirit the statement made by Mr. Abbott was correct, and it applies today. The extra $500 exemption at age 65 stayed that way from 1948 until 1965, when Mr. Pearson came into the house one day to announce something that we welcomed, namely, that the old age security pension was going to be made payable at age 65, although this was to be done step by step.

This was a change from a government plan which had proposed that if you took the pension at an age below 70 you had to take a smaller amount and stay with it for life. Mr. Pearson announced on February 17, 1965, that this plan had been scrapped and that the old age security pension would be at a fixed rate for all ages from 65 up, although it would take a few years to get to that point.

As so often happens here with an announcement that is most welcome, there was a little tail at the end of it, which was that the additional $500 exemption which Mr. Abbott had granted in 1948 was going to be taken away from those people between 65 and 70 years of age while they were on the old age security pension. The record makes it clear that on that occasion, the very day on which Mr. Pearson made that announcement, I suggested that this was not the way to go about it at all, that if the government wanted to make a change the best way would be to increase the exemption for everybody to $1,500 for single persons and $3,000 for married persons, or whatever figure might be arrived at.

That is a brief history of the proposition, indicating why it was brought in in the first place and the way in which it was taken away from those between 65 and 70. But as the hon. member for Notre-Dame-de-Grâce has pointed out, the situation has now been reached where a great deal of suffering results from this plan. The hon. member pointed out, for example, what happens in the case of people who get both the old age security pension and the guaranteed income supplement. If they are over 70 years of age and that is all they have, they have no income tax to pay

because of the extra $500 exemption. But people between 65 and 70 years of age who get precisely the same amount and, like their older friends, have the same expenses and are hit by the same increased cost of living, are subject to tax on their income in excess of $1,100. They can receive, as the hon. member said, a total of $1,310.40 a year from a combination of old age security and the guaranteed income supplement, but they have to pay tax on $210.40 of that, which amounts to something in excess of $30.

May I point out another injustice that has been perpetrated upon these people. When something like the social development tax is added it does not hit very hard the people in the $10,000, $20,000 and $30,000 income brackets but it really hits the people to whom I have referred in that they have to pay an extra 2 per cent on the total amount of their taxable income. Thus the type of person to whom I have just referred, who has to pay tax on $210.40, is hit with another 2 per cent, or $4.20. This is being done to people for whom it was said legislation was being brought in to guarantee their income, to bring them up to a certain point. So they are brought up with the one hand and taken down with the other.

• (5:20 p.m.)

I think the whole proposition is wrong and that this distinction should be abolished. I still think the best way to do it would be not simply to restore the $500 to these people but to make it $1,500 across the board. However, if the government thinks it cannot do this it should at least agree to the proposition put forward by the hon. member for Notre-Dame-de-Grâce.

I doubt that there is a member of this House of Commons who is without examples of what this does to people. All of us have this drawn to our attention through the mail. Our old age pensioners think it is particularly unfair to treat them in this way. They are feeling the weight of this tax more than anybody else. I hope that members in all quarters of the house will agree to the proposition put forward by the hon. member, and that the resolution before us will pass today in the course of this private members' hour.

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, it is indeed a pleasure to associate myself with the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) who has proposed this motion. I should like to thank him for providing the house with the necessary statistics showing just what this means in terms of dollars and cents, and to thank the hon. member for Winnipeg North Centre (Mr. Knowles) also for his addendum in that regard.

I wish to approach this subject in a somewhat different manner in order to avoid repetition. First, I should explain that by reason of my location I happen to come into contact with more older or retired people than do those who live in most other areas of Canada.

My constituency is located in the lush, green Fraser Valley, in beautiful British Columbia, a province which is without doubt, notwithstanding some other prejudiced views, the most beautiful area in Canada if not the North American continent. Not only are the scenery and surroundings superb but the climate, on the average, is ideal the year round. We enjoy the diversity of changing seasons without the severity of extreme weather conditions experienced in other parts of Canada.

Aside from the fact that it is always exciting to reflect upon the advantages of living near the west coast, I am stressing the point at this time to explain my concern for our senior citizens. The lure of pleasant living conditions in British Columbia increases the percentage of retired people and pensioners in our area compared with other parts of Canada. I am told that members of Canada's armed forces stationed at bases from Victoria to Halifax provide an impressive waiting list of people requesting moves which will entitle them to retire on pension in B.C. A similar state of affairs exists among farmers, business and professional people. Therefore British Columbia boasts a very high percentage of retired Canadians living on pensions. We enjoy the company of many senior citizens who are depending on us for fair treatment. We are happy to welcome those who are becoming domiciled in B.C. and who are contributing the wisdom of their experience to Canadian life in our western paradise.

There was a time in the past, although I confess to some difficulty in recalling the exact period, when retirement was considered a milestone on the road of life, a time when people could relax and participate in recreational activities and other pursuits, a way of life denied to those who accepted sacrifice to assure ultimate educational opportunities for their children. Not too long ago, young men automatically initiated some plan for retirement when purchasing insurance protection for their families. I am sure there are a few

members in this chamber today who can recall advertisements in daily papers promising fun and frolic at age 50. Even a young man like myself can recall the pictures of a man and wife, who appeared to be less than middle aged, relaxing in a handsome outboard motor boat, fishing, and convincingly indicating they did not have a care in the world. The caption probably read "You, too, can live like a king on $200 per month for the rest of your life." Now it is almost impossible to believe that the caption could have been valid. Nevertheless, in those days, with no dependents one could live like a king on $200 per month. The alarming fact is that many beneficiaries who sacrificed to save for a planned retirement with a life of ease are today's senior citizens.

Although this dream has long since been shattered by inflation, young people today are still raising families. They still sacrifice to provide a better way of life with adequate opportunities for their children. They still reach the age of retirement.

Old age pensioners, a term I dislike—I prefer senior citizen pensioners—now approach this category with considerable trepidation, if not outright fear. Life savings, regardless of amount, no longer constitute a bulwark against loss of salary on retirement. I do not refer to the relatively few who have amassed large fortunes, a large percentage of whom usually die young. My reference excludes those who have inherited too much wealth. Conversely, I cannot include those in our society who have failed to exert sufficient energy to support themselves and have been content to go through life as parasites, content to live on the dole on the premise that the world owes them a living. I admit that the actual percentage of Canadians within this category is low, even though our welfare costs are staggering.

The majority of Canadians are in the middle and low income brackets. These sincere, hard-working people who try desperately to pay their way are actually tomorrow's pensioners. The Canada Pension Plan will undoubtedly lessen their burdens by providing a small degree of security for future years. However, if it is valid to persuade Canadians that a participating program of compulsory pensions is designed for their benefit at age 65, can we, with any degree of sincerity, deem this small remuneration to be taxable until they reach the age of 70?

Another facet creating an additional burden for our older citizens is the increasing contempt of personnel officers for experience as opposed to academic degrees. Not long ago a man was considered employable until the age of 65. Most people, even though health and mental powers were intact at age 65, were willing to surrender to a younger generation. However, partly as a result of automation many in our society are now unacceptable at an age less than 50. Members of parliament now receive submissions from Canadians in all walks of life who suddenly find that, although they possess the esssential knowledge plus more experience than is required to fill vacancies, they are discriminated against because of age alone.

I mention this now, Mr. Speaker, because we are debating the possibility of partial relief for members of our society who have reached the age of 65. If the economics of productivity indicate that men of 50 or even less are too old to make a satisfactory contribution, is it not possible that this resolution is not only overdue but should include a measure of tax relief before the age of 65?

• (5:30 p.m.)

The gnawing and haunting effect of the steadily expanding inflationary spiral must, indeed, add a burden to senior citizens and pensioners. In this resolution we plead for this parliament to grant a small measure of relief by lowering the age limit for pensioners who will be eligible for an additional $500 exemption before income is taxed.

We are inclined to discuss the serious problems resulting from inflation among ourselves as they relate to fixed income citizens in general, and to pensioners in particular. I am somewhat impatient as I hope that we will soon refrain from discussion and initiate action.

The Minister of Consumer and Corporate Affairs (Mr. Basford) recently issued a white paper on price stability. He deserves congratulations for the efforts of his department on this problem. We hope that design for action will be fruitful. Inasmuch as my career to date places me in the role of a businessman, I confess to some skepticism. The apparent approach to the problem of inflation control will be through another commission which will function without benefit of teeth. This is most idealistic, but is it realistic? Time will tell.

If we continue on the premise that free enterprise must be controlled by competition,

and I firmly believe in this concept, then we surely must adhere to the accepted principle that any additional cost to a product automatically reflects in its selling price. Regular wage increases create regularly increased costs, which create regularly increased selling prices, which in turn perpetuate the inflationary spiral. The result increases the dollar value of Canada's gross national product, which I understand is considered to be justifiable reason for wage increases. The pensioners and fixed income citizens fail to participate in the guideline provided by the gross national product increases and subsequently fall by the wayside. The 2 per cent regular increase to pensioners recently prescribed would be acceptable if all personal incomes could be held to this percentage increase.

In conclusion, Mr. Speaker, I should like to quote from an article in "The Elder Statesman". The article is entitled "Senior Citizens, the victims of inflation". I quote:

> Senior citizens have long been the victims of inflation.
>
> The post-war (world war II) price spiral has gone up and up, without let up.
>
> As wages and prices expand, pensioner incomes shrink. The small monthly cheques they receive buy less and less.
>
> Wages and prices shoot upward each year. Until now pensions have been fixed, with only slight increases granted at rare intervals. These pitifully small increases to pitifully small pensions, have tended to be "to little", and often, "too late".
>
> And now—at long last—the government has decided on a regular increase. Two per cent is a small figure related to even a large sum (it is only 1/50th).
>
> It is no more than a drop in the big bucket of inflated prices which enter into the pensioners', and everybody's, cost of living. The cost of living has been rising at an alarming rate for the past 10 years. But senior citizens' pensions will increase only 2 per cent or $1.50 per month.
>
> It is obvious that the gap between wage income and pension income will continue to widen. It is equally obvious that with a small increase in income, and a big increase in prices, and cost of living each year, pensioners are dropping to lower depths into the pit at poverty.
>
> Pensioners belong to the not "smug" minority. They are at the lower end of the low income groups in Canada, who make up, we are told, 20 per cent of our population.
>
> It's high time that most of us became part of a "concerned majority", about the plight of our senior citizens. After all, we'll all be senior citizens some day. Our reward, and theirs, for a lifetime devoted to productive work on the labour market, should be an adequate income, not a mere subsistence allowance, relunctantly "dolled" out. This is the right of every citizen who worked hard and contributed much to making it possible for today's workers to achieve the higher wages and standard of living they now enjoy...
>
> Some countries are far ahead of us in their treatment of their senior citizens. Germany, for example, has long had legislation which adjusts senior citizens' pensions annually in line with the rise in the cost of living. Canada can do no less.
>
> We all applaud, and should support, Prime Minister Trudeau in his efforts to build a "just" society in Canada.
>
> There can be, and will be, no just society in Canada unless and until our senior citizens receive justice as "right" not a handout.

I reiterate that I firmly endorse the resolution presented by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). I plead that the subject go to committee at once for further study, and that the report recommend prompt action by this house.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I listened with great interest to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) whose notice of motion reads in part as follows:

> —the government should consider the advisability of amending the Income Tax Act so that the additional $500 exemption presently granted to Canadian taxpayers... when they reach 70 years of age be granted at 65 years of age—

Mr. Speaker, I would like also to congratulate the previous speakers who so eloquently held their own. In my opinion, the fact that such a notice of motion has been put the house and the question brought to the attention of the government is an indication of the dissatisfaction which prevails regarding present government policies. Once more, I congratulate the hon. member for Notre-Dame-de-Grâce who will not give up and who has chosen this moment to discuss the fate of people of 65 years of age and over.

Whether we agree or not, if we consider their background, we realize that these people were born in difficult times, when there was no electric lighting, when houses were lighted with candles and oil lamps. In fact, it was then very difficult, for most people, to receive an adequate education at the little red school house; it was also the time of the economic crisis.

• (5:40 p.m.)

Those people help to build the country by working at the construction of our highways—we know that they did so with the pick and the shovel, the hard way—and our railways. All things considered, everything

was difficult, everywhere. Those people contributed twice financially, physically and often morally, to the war effort and some of them, who have now reached pension age, often sacrificed to the army one or two of their sons killed on the battlefield. To-day those very people are abandoned. After having worked hard, after having done their very best, after having financed municipalities and school boards, after having paid taxes and union fees, they are compelled to quit work at 60, because some insurance plans do not protect them from an employer who does not want to take the risk of guaranteeing a job to someone who cannot be insured. This is why I support unreservedly the resolution of the hon. member for Notre-Dame-de-Grâce and, moreover, I wonder if 65 is not still too late in life. Indeed, when the bill is referred to the committee, I wonder if it would not be possible to lower the eligible age to 60. Since it is difficult to find employment even for a person of 20 or 25 and that there are many unemployed between 35 and 40, I feel that we should consider the possibility of granting a pension to persons of 60 years of age, while allowing them a tax reduction. I think that by doing so, justice would be rendered. It is not a matter of making a gift to those people nor of giving them an extravagant amount, but merely of giving them their due. As I said before, those people, at 60 or 65, are rejected; they no longer belong to their union, nobody takes care of them. I conclude by congratulating the hon. member who proposed that we take a little time to deal with the problem of those people who built our country. I feel that everything that aims at improving their situation deserves the attention of the government and that is why—and I say this in the name of our party—we fully support the measure.

[*English*]

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, I congratulate the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) upon bringing before the house this important and thoughtful measure. Those of us representing ridings containing many old age pensioners are made aware daily of how urgent it is to improve pension conditions for our older citizens. We should be hard hearted indeed if we did not sympathize with the needs of our pensioners. For that reason alone, we ought to congratulate the hon. member for bringing this measure forward, because he has done the country as a whole a service.

[Mr. Godin.]

The pension field is very complicated, difficult and full of surprises. In my mail the other day I had a letter from a very old lady who said that she and her husband live on a pension which is well under $3,000, the amount the Economic Council has referred to as the poverty line, and they both managed quite well. She said that although they do not have a great many luxuries, she and her husband are proud they can get along on their pension and do not want to take anything extra from the government. It was such an unusual letter that I thought it worth mentioning here.

It is important to note, Mr. Speaker, that the deductions or exemptions suggested in the motion before the house would provide a larger tax reduction for those with high incomes than for those with low and medium range incomes. I ask whether that would really help our old age pensioners? I submit that a $500 deduction does not mean very much to a taxpayer receiving little but the old age pension. On the other hand, it represents a sizeable sum of money to someone with a large income. I shall compare some figures if I may.

Let us take the case of the pensioner receiving the basic minimum of $1,310 a year. Without the $500 deduction he would pay $31.08 tax. With the $500 deduction he would pay no tax. At the same time let us take the case of the taxpayer whose income is $20,000 per year. If that taxpayer were eligible for the $500 reduction as mentioned in the motion, his tax savings would amount to $232 a year.

The hon. member for Winnipeg North Centre (Mr. Knowles) has talked of the problems of our old age pensioners and poor people. I submit that by adopting this proposal we would not be helping our poor. I ask, does this measure tackle the problem of poverty among our old age pensioners in the right way? Surely, we ought to give the most consideration to those persons receiving between $1,300 and $3,000 a year. It has been estimated that implementing this measure would cost the country between $20 million and $25 million a year of badly needed revenue.

Mr. Allmand: Would the hon. member permit a question? I should be interested in knowing the source of the statistics he is quoting to us.

Mr. Howard (Okanagan Boundary): I have done some research on this matter. The figures relating to what this measure, if

implemented, would cost the national treasury I believe are reasonably accurate. We must remember that this measure would not help those old age pensioners or old people who have little or no income. Some argue that merely because a man reaches 65 or 70 years of age he ought to be entitled to some additional tax exemption. I do not support that contention. Many in this old age group have far higher than average earnings and are well able to pay the taxes demanded of them. Amounts collected from the people who are better off could go towards helping those in the lower income brackets. I submit that many of our difficulties in this field stem from our inadequate and piecemeal welfare programs. If we want to help our underprivileged, surely it would be better to do so by direct assistance rather than by imposing tax exemptions which discriminate against the poor and favour the rich.

Our welfare legislation needs to be thoroughly reviewed if we are to remedy this problem area. I hope the mere fact this notice of motion appears on the order paper will prompt the government to overhaul our existing welfare legislation. I agree that the situation is urgent, but I do not think that adopting this measure is the best or correct way of helping our people. I say that because I do not believe the solution suggested in the resolution will bring about an equitable remedy of this difficult situation.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I join with hon. members who have spoken in congratulating the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) in bringing forward his notice of motion at this time. His action in doing so is consistent with what I know of his approach to public policy, an approach that is based on concern for people and particularly for those who are in the less advantaged groups.

Mr. Knowles (Winnipeg North Centre): Watch out! You've had it.

Mr. Gray: Every proposal to change tax law has many implications. In fact, I think we can agree that every proposed change in law creates various effects. To give a proposal of the sort put forward by the hon. member for Notre-Dame-de-Grâce the consideration it deserves would mean discussing it as fully as possible and looking at all the effects created by it.

• (5:50 p.m.)

Let me say at once, Mr. Speaker, this should not necessarily mean that ultimately on balance if it may appear that implementation of such a proposal is the best thing to do under the circumstances, that such a decision should not be made. It may mean rather that if and when such a proposal is put into effect it would be taken with the full knowledge and understanding of all its implications. We must remember that under our rules, whether or not we agree with them in this regard, private members cannot propose bills to change tax laws. Such bills in effect cannot be moved by private members, but instead must be moved by a member of the Privy Council on behalf of the government. This is why if members have proposals of the type put forward by the hon. member for Notre-Dame-de-Grâce, under the rules of this house they must present them as he has done in the form of a Notice of Motion.

It is my understanding that if such a motion is adopted by the house it would not have the effect of actually changing the law in the way it proposes. Conversely, if the motion does not happen to come to a vote in the hour set aside for its discussion, that does not mean a change in the law which is considered desirable by some or all members of the house has been defeated or turned aside. It means only that the time set aside for discussion of the proposal in the Notice of Motion has gone by without all those wishing to speak having been heard. At the same time, it does mean that the real purpose of allowing Notices of Motion to be placed on the Order Paper will have been served. This purpose is to enable the mover to present his views to the house, and therefore to the country, and to enable other members to present their own views on his proposal.

One must recognize, Mr. Speaker, there is more to be done for our senior citizens. In recognizing the need for additional action one cannot overlook the steps forward that have been made in the past five years to aid our senior citizens. There have been increases in the basic old age security pension, reduction over a 5 year period of the eligible age to 65, creation of the guaranteed income supplement and for those who have retired since 1966, the creation of the Canada Pension Plan. As I said, there is more to be done for our senior citizens. In my opinion, the proposal in this Notice of Motion is certainly among the measures that are worthy of additional and serious consideration.

I want to examine, therefore, some of the implications of this very useful proposal. The Notice of Motion urges an amendment to make the income tax deduction for older taxpayers more generous than it is at present. The present law provides deductions from taxable income in the following ways. In the case of a taxpayer who has attained the age of 70 years before the end of the year, the deduction is $500. It is $500 in the case of a taxpayer who before the end of the year has attained the age of 65 years but has not attained the age of 70 years, if no pension under the Old Age Security Act has been authorized to be paid to him for any month in the year.

It is my understanding, Mr. Speaker, when it was decided to lower the eligible age for the old age security pension gradually from age 70 to age 65, a step to which I have already referred, it was also decided by the government of the day that the cost of paying this pension to persons under age 70 would be offset in part by the withdrawl of the special $500 deduction for those wo received the pension and were under the age of 70.

The change to the payment of old age security pensions at ages under 70 added substantially to the cost of providing these pensions. The government felt that rather than impose new taxes to meet this cost it should instead recover a small portion of the additional expenditure by withdrawing the extra $500 deduction from those who receive the pension while under age 70. It was felt that an individual may elect not to apply for the pension if he finds that he would be better off to retain the $500 deduction. It was argued that for the great majority of individuals between the ages of 65 and 70, the lowering of the age at which individuals may receive the pension had a more beneficial effect than the $500 deduction.

This argument implies that when the old age pension is received, or for that matter when the senior citizen is eligible to receive it, it will not bring about any lessening of income. However, some employee pension plans provide in effect that the retired employee's pension will be decreased by the amount of old age security pension he is eligible to receive whether he draws it or not. This means that some senior citizens may find themselves forced to take the old age security pension in order to receive the same amount as before they became eligible for this pension. As a result, they find themselves deprived of the $500 exemption, even though they do not get one extra dollar because of their eligibility for old age security pension.

I submit, Mr. Speaker, that this particular area of change is certainly worthy of further study. The hon. member for Okanagan Boundary (Mr. Howard) has already brought to the attention of the house the fact that to put into effect what is proposed by the hon. member in his Notice of Motion would lead to the necessity of the Department of Finance finding other income in the amount of some $25 million. One would have to consider how this income is to be found, what other rates of tax are to be changed and on whom the additional tax burdens are to be imposed.

It is interesting to note that members of the New Democratic party have been proposing that the report of the Carter royal commission on taxation be implemented as a package. However, this commission recommended that only taxpayers between ages 65 and 70 who do not receive the old age security pension should be allowed an additional $500 deduction, and that the $500 deduction for individuals who are 70 years of age and over should be repealed.

Those hon. members may not realize that if they support the proposal of the hon. member for Notre-Dame-de-Grâce they are, in effect, arguing against a proposal put forward in the Carter Commission report which they say should be adopted as a package.

Mr. Knowles (Winnipeg North Centre): Tell us where you stand.

Mr. Gray: In my remarks, Mr. Speaker, I think I have made clear my own position in calling for further action to assist our senior citizens.

The Acting Speaker (Mr. Béchard): Order, please. The hour for consideration of private members business having expired, I do now leave the chair until eight o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) for the second reading and reference to the

Standing Committee on Justice and Legal Affairs of Bill C-150, 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, the Customs Tariff and the National Defence Act.

[*Translation*]

Mr. Ralph Stewart (Cochrane): Mr. Speaker, before the hour appointed for the consideration of private members' business, I had begun expressing some of my ideas, and before proceeding further with my speech, I would like to summarize my previous remarks.

[*English*]

Before the dinner adjournment, Mr. Speaker, I explained that I felt it was my solemn duty to speak in this debate because I am opposed to one, and only to one of the proposed amendments to the Criminal Code. I said that our Prime Minister (Mr. Trudeau) has given us every latitude to express our opinions, not only on this issue but on all issues which affect the government of Canada. He has not only allowed us to express our own opinions but has encouraged us to do so. That is why I do not like to hear people say that we are being muzzled or that we are being treated as robots or computers by having to accept a bill with part of which perhaps we do not agree. If that were the case I would not be speaking in this debate at all.

One of the principles which I uphold is that no one should force his or her religious opinions on anyone else in a pluralistic society. If we want to discuss religion that is one thing, but when we are talking about the natural order which concerns items of public morality I do not believe that has anything to do with religion.

So far as religious considerations are concerned, I am opposed to divorce. I believe that certain sexual behavior among human beings is sinful from the point of view of religion, but I certainly have no right to expect other people in Canada to accept my views. But when it comes to a question of public morality, of the natural law, this is not a question of religion. It is above and beyond it. This is where the question of conscience becomes so delicate.

I make no secret of the fact that I have always been of the opinion, and I have made my views known to our caucus and our Prime Minister, that I would have preferred the portion of this legislation dealing with abortion to be made a matter of a free vote. I would have preferred that because I think it is no less important than the issue of capital punishment, which was decided by this house on a free vote. Legislation on abortion went through the British parliament with a free vote.

However, should the majority in this house decide that this legislation should go through as one bill I see no reason why I cannot support the bill in toto. One cannot reject a complete bill, which I consider to have 125 goods proposals, simply because there is one proposal in it with which I cannot agree.

Those who have studied philosophy and theology will perhaps recall the term "the perplexed conscience", where one is faced with such a situation. I believe that in accord with my conscience I am quite capable of supporting the omnibus bill should it come to a vote as a complete bill, yet still being opposed to one of the amendments. That is why I feel it is my duty to make it known that I am opposed to one of the amendments.

I would simply ask those who support the enlarging or the extending of the abortion laws to be honest in their arguments. We have heard so many arguments that have nothing to do with the bill before us. We have heard how we must do away with backroom abortions, kitchen table abortions, and how we must take care of the young girl who has been raped. We have heard how we must take care of the people who possibly will have deformed children. This has nothing to do with the piece of legislation that is before us.

If people insist in making these kinds of arguments, then obviously they are regarding this piece of legislation as a stepping stone to a further enlargement of the abortion laws. I think we should be consistent in our arguments. If we are talking about this particular law, this particular proposal, then I think we should leave these other arguments out of our discussion.

The main change proposed covers the question of endangering the life or health of the mother. This seems to be the part that is causing the most difficulty. The operative words mention a certificate in writing stating that a "female person would or would be likely to endanger her life or health." I think that that particular clause is the danger point of the whole issue. The words "or health" could mean any number of things.

Criminal Code

• (8:10 p.m.)

The hon. lady who spoke before me pointed out the definition of health as given at the United Nations. She spoke about social health and mental health. For seven years, while engaged in the pharmaceutical industry, I was very closely associated with hospitals. I think I know as much about doctors and hospitals as the committees that are set up which make decisions regarding health. Although I have great respect for the medical profession, I am not one who places a doctor on a pedestal as being a god who can decide between life and death. I know there have been hospital committees in the gynaecological field which have determined whether or not a woman should have a hysterectomy. I know that this decision has depended upon one person because the gynaecologist on the committee was the one most qualified and therefore was the one who decided. We all know that many uteri were removed in this country which should never have been removed. The same thing would apply in respect of this committee which would be set up in the hospitals.

Suppose a committee on mental health should be established. The psychiatrist member of that committee would be the one who would make the decision because he would be the most qualified to decide in matters of mental health. If he decided that a woman should be aborted because of her mental state, that would be it. So, I think this question of relegating these decisions to a doctor is not what it is cracked up to be. I believe that by bringing in this kind of an amendment we are simply doing one thing; we are opening the door to abortion on demand.

Some hon. Members: Hear, hear.

Mr. Stewart (Cochrane): If that is what the advocates of this bill want, that is fine. I hear some hon. members applaud. I am sure that is exactly what some hon. members want. I suggest they should say so and not attempt to bring that about under the guise of this particular amendment.

I can do no better than quote my hon. colleague from Hamilton Mountain (Mr. Sullivan) with regard to this matter of abortion on demand. At page 4785 of *Hansard* for January 24 he is reported as saying:

> As someone on the committee said, he would like to see the abortion law opened wide but he believed in proceeding bit by bit.

[Mr. Stewart (Cochrane).]

Is that what we are doing, proceeding bit by bit to get abortion on demand? Then, the quotation continues:

> So we have already had notice that this is only the start of the movement. If the members of this house permit the altering of these abortion laws as proposed there is no logical reason that can be submitted later why the unwanted, the unproductive, the deformed and the mentally retarded members of our society should not be exterminated.

I think that is a very forceful point my hon. friend has made. It goes right to the root of this problem. Before concluding my remarks, I should like to leave this thought with members of the house. We have seen throughout history that whenever a nation has relaxed its moral code it has opened the door to decadence. We have seen this happen in the history of the Roman empire and we have seen it in more recent times. I believe Canada is on the threshold of greatness. We will become great only inasmuch as we respect life and the right of all human beings to follow their own conscience.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, the Criminal Code of Canada is one of the great pieces of Canadian legislation. By it we can judge the standards that we expect of each other. By it we give some indication of the compassion we feel toward each other. The thoughtfulness that has gone into this debate so far is an indication that this very serious piece of legislation is receiving due and proper attention in this chamber.

I propose in a few remarks to point out three areas of the omnibus bill where I am in quite strong agreement, although I have suggestions for improvement. There are several in respect of which I am in complete disagreement. Then, there is one area where I go through the agony of doubt that I am sure has beset many other members in the house.

First, let us deal with the items that are not in this measure which is before us. I believe that sooner or later we must grasp the nettle of dealing with the question of insanity and bring the provisions of the Criminal Code up to date. Important studies have been made and a good deal of experience and opinion is available to us. We must not allow the criminal law of the country in this regard to become hopelessly out of date. Correspondents of mine have noted that the proposed legislation does not contain a provision that was presented by the previous minister of justice, the present Prime Minister of Canada. Perhaps I might have the indulgence of the house to note that this lack in the omnibus bill is covered in another bill. I am referring

to the amendment to section 150(2)(c). This provision which was proposed by the present Prime Minister is now contained in Bill S-15 which was passed by the Senate on November 19 and is before us. I shall read this clause because we all have correspondence and this is a good way to bring the point to the attention of the dozens of people who are concerned about it. The amendment as set forth in Bill S-15 is as follows:

—offers to sell, advertises, publishes an advertisement of, or has for sale or disposal any means, instructions, medicine, drug or article intended or represented as a method of causing abortion or miscarriage,

The words which are being deleted from the present law are "preventing conception".

Voilà, monsieur l'Orateur, as to the bill before us. I agree with the breathalyzer provision. Probably I would not have a few years back, but I think the menace of drunken or impaired drivers on the highways of Canada has become so great that rather drastic measures must be taken by the House of Commons to cure that evil. So I shall have no wrestling with my conscience when it comes to the breathalyzer proposal, although later I will indicate that I am not in favour of making a criminal of the person who does refuse a breathalyzer test.

I should like to point out to the Minister of Justice (Mr. Turner) however that there will be a question of doubt at the magistrate's court level about the value of the breathalyzer test unless there is an improvement in the breathalyzers themselves or some change in the draftsmanship of the particular clause. The reason I say this is that there is expert evidence available which indicates that a reading on a breathalyzer has a margin of error no more than .01 below the reading. It could be as much as .02 above but since we are dealing with minimums I will deal with the .01 below the reading. So, if we are dealing with a reading of .08 on a breathalyzer and agree that this is the standard we should impose by this legislation then the legislation should read .09 because of that margin of error I have indicated.

• (8:20 p.m.)

In order to put my case before the house in better form, I should like to quote from the transcript of a case that was tried in Nova Scotia. I will not give the name of the accused, since I do not suppose anybody enjoys having his name bandied about in *Hansard*, but I will note that counsel for the crown was Elmer MacDonald, a very experienced criminal trial lawyer, and that counsel for the defence was G. L. S. Hart, who is now Mr. Justice Hart of the Supreme Court of Nova Scotia. The case was tried before His Honour Martin Haley, who is a magistrate in the Dartmouth courts. The witness whose evidence I am about to quote is Donald Joseph Saturley of the R.C.M.P., stationed at the crime laboratory at Sackville in the province of New Brunswick. Let me quote these questions and answers:

By the Court: Well how did your results, with respect to the direct blood analysis compare to the breathalyzer machine?

A. We found that the breathalyzer machine, essentially, reads lower than direct blood analysis.

By the Court: How much lower?

A. The limited accuracy of the breathalyzer is .01% high or minus .02%. For example, a reading of .15% could be as high as .17 or as low as .14. That is to say the breathalyzer consistently reads low.

Q. It does?

A. Yes, over a large number of—

By the Court: Then how accurate is the breathalyzer?

A. It's accurate to within these limits. In other words a reading of .11% couldn't be distinguished from a reading of .12% because the breathalyzer just isn't that accurate, but it could be distinguished from a reading of .13%.

By the Court: But where are we going to land if Mr. Trudeau's bill C-195 goes through and he says that .10 is going to be prima facie evidence of impairment?

That was the number of the former bill. The answer was:

A. Yes.

By the Court: So the guy could be probably .09 then?

A. That's correct, Your Honour.

By the Court: For my own information, since you're here, what good is that bill to be then if they put in a prima facie .1%?

A. I don't know if that point has been considered in the bill, the accuracy of the instrument used to measure the alcohol level. It's something that will have to be thought about.

I make the point that if we accept as a principle that the reading of .08 is what we are aiming for, and above which an individual should be convicted of impaired driving, then we will probably have to put .09 in our legislation instead of .08 to allow for that margin of error. If we do not make that allowance there will be a class of case which the magistrates will have to dismiss on the grounds of reasonable doubt since they will be seized with the knowledge that the breathalyzer is not absolutely accurate.

Let me now refer to the gun laws. When the original bill was presented I found this subject to be the most contentious in my riding, apart from the abortion provisions. All sorts of gun clubs made representations to my colleague, the hon. member for Dartmouth-Halifax East (Mr. Forrestall), and myself. We have heard nothing from them since as a result of the changes the minister has brought about, so I fully support the measure as it now stands. Indeed, my strong reluctance before was that it seemed to impose perhaps overly strong burdens on members of professional gun associations, those people who would not be expected to misuse guns in any event. As far as the general principle is concerned, I do not believe there is an inalienable or sacred right to carry weapons. I fully support the idea that we must have gun laws and gun control.

Thirdly, sir, I give my wholehearted support to the concept set forth at page 101 of the omnibus bill which involves the question of day parole. This is the first time we have had day parole as such spelled out with reference to the functions of the National Parole Board. It was the magistrate I mentioned earlier, Mr. Haley of Dartmouth, who first used, at least to my knowledge, day parole in Canada. He felt that somebody given a jail term for impaired driving or the like should not have to spend all the time during his sentence in jail because this would impose a hardship on the wife and family. He felt certain persons should be allowed out by day to earn a living, while still undergoing the stigma of being in jail at night.

I believe the idea of day parole probably began in respect of offences under provincial statute. I am glad to see this idea extended as a nationwide principle. I hope members of the committee will invite Judge Haley to come to Ottawa to tell about some of the cases he has dealt with on these terms. This is a far-reaching step in Canada, but it is a method which has been used in other parts of the civilized world, including the state of California where it was perhaps first tried.

Finally, I should like to turn to those areas in respect of which I am in strong disagreement. The first of these concerns lotteries. Lotteries are mugs games or methods of having the people who do not have the wherewithal to pay taxes pay for services that should be paid by state taxes. To my knowledge there has not been such a lottery which has lived up to expectation. New York State is trying one and the revenue is running well

below what it was hoped to achieve in this way. The state of New Hampshire has had one for several years, again with the same result.

Getting closer to home, the city of Montreal is trying to run a lottery and is now having to increase the prizes, still without achieving the intended goal. Montreal calls their scheme a voluntary tax measure, but whatever it is called it still smells the same as a lottery. The town of Moose Jaw seems to be getting sucked into this general trend. I hope the people there will have sense enough to turn back before they become embroiled in a venture which will not achieve what they have in mind.

The United States was chock full of lotteries during the last century. Some 60, 70 or 80 years ago federal law wiped out every last one and there were very few, except several skilled promoters, who mourned the passing of lotteries. I suppose the following generation has forgotten about them and now thinks we should give lotteries a try. I suggest this is a mug's game or a method of talking poor people into spending money ill-advisedly on the chance that lightning will, in some pleasant way, strike them. No responsible parliament should give its sanction to this method of raising public revenue.

A British royal commission in 1951, after examining this question came to the conclusion:

> —that there is no important advantage to be gained by the establishment of a national lottery and that there is no reason, in this particular case, to depart from the general principle that it is undesirable for the state to make itself responsible for the provision of gambling facilities.

I turn to the view of two gentlemen who faced each other across the aisle in this very chamber for a long period of time. They were two bachelor Prime Ministers, neither of which was the present Prime Minister (Mr. Trudeau). In 1934 when R. B. Bennett was prime minister and spoke about a bill to legalize lotteries, he said:

> When I am asked to exercise my vote as a member of the House of Commons of Canada to say that we shall legalize that which has brought the misery to the human race that games of chance and lotteries have brought, I propose to exercise my vote against any such thing . . . If I were to sit upon a jury, I would have to find the evidence against lotteries far outweighs any suppport that can be found either in the past or the present.

• (8:30 p.m.)

From the other side of the aisle Mackenzie King, perhaps agreeing with the Right Hon.

R. B. Bennett one of the few times in his life—I do not know; they certainly both agreed they should be bachelors but perhaps this was another area of agreement—said this:

> I find myself in entire agreement with the Right Honourable the Prime Minister. My convictions in the matter are quite as firm, as profound and sincere as his own . . . I hold that there are very strong reasons why those who have to do with the shaping of public opinion should not further or countenance any measure which, by statute, would publicly encourage gambling.

Mr. Baldwin: Maybe he thought there was a very close relationship between bachelorhood and lotteries.

Mr. McCleave: The hon. member for Peace River (Mr. Baldwin) has made a remark which I hope goes on the record. It is a very pertinent one on the possible connection between lotteries, bachelorhood and gambling.

Mr. Nesbitt: I have never gambled in my life.

Mr. McCleave: And the hon. member for Oxford (Mr. Nesbitt) has never gambled in his life.

An hon. Member: He is a bachelor.

Mr. McCleave: My second area of strong disagreement with what is proposed in the omnibus bill relates to homosexuality. If I were to approach this as a problem to be solved, I probably would not see it either in terms of crime or of punishment but in terms of disease or pathological complaint. I suggest to this honourable chamber that we should take a close look at a new method of tackling the problem, as we should. I hope in time we shall take a new approach to the problem of alcoholism and how we tackle it. I think they are very much the same type of problem. I think it is wrong to deal with them as crimes first, and then crimes deserving of the particular forms of punishment that we have because our forms of punishment are very limited. In any event, my conscience becomes so abhored by the thought of the sanction that we hope to give to homosexuality that I have no option but to vote against the provision.

I would draw the attention of the minister and those members who will be on the committee to the fact that the consenting portion of the proposal before us is somewhat curiously drafted. It is almost on all fours with the portion of the Criminal Code which deals with consent in the case of rape. But instead of using the words "false and fraudulent representations," as are set forth in section 145 of the Criminal Code dealing with rape, this bill uses the words "false and fraudulent misrepresentations." The purists of language in the house might wish to find out the difference between "false and fraudulent misrepresentations" and "false and fraudulent representations".

I draw another matter to the attention of the minister. I do this sort of thing tonight because I suppose there will be a few more days of debate before we get to committee, and this will give the minister's advisers a chance to further study the measure. I suggest that if a homosexual act is procured by duress or force, this should be in the exception feature of the proposed clause. This clause provides that a person shall be deemed not to consent to the commission of an act if the consent is extorted by threats or fear of bodily harm or is obtained by false and fraudulent misrepresentations as to the nature and quality of the act. I am suggesting that somebody's arm may be twisted behind his back to consent to such an act, and therefore this should be added to the other exceptions. In any event, as a matter of basic principle and because I think we have to set standards by which we expect people to live, I could not give my consent to the homosexuality provisions of the proposed omnibus bill.

The third point on which I disagree violently with the government which brought in this measure concerns the clause which would make it an offence to refuse a breathalyzer test if a policeman asks one to undergo it. If a policeman has good and reasonable grounds to believe that you should undergo a test he will probably have enough evidence to support his case against you, and that will be that. There will be a conviction, a fine and the loss of your driver's licence. I think that is fair ball, for the reasons I indicated earlier, namely, that the holocaust on the highways is now so severe that we have to take steps here, whether we like to or not, to do something to cut it down. But I say this provision is going too far because it represents double punishment of a person. I propose, therefore, to vote against the provision.

Finally, I come to the area of extreme and extraordinary doubt. This is the provision that deals with abortion. I have listened to the arguments. I have read a bit on the subject; not as much as I would like, but I will read some more. There are a couple of points that tend to crystallize my thinking. I know the objection of the Roman Catholic church

and other religions to the idea of abortion. That objection does not seem to me to be insurmountable or to be a reason in itself why I should vote for that point of view. If a Roman Catholic woman feels strongly enough about her religion, presumably she would not consent to an abortion in any case.

The people concerned have an option; therefore I do not see there is any obstacle to anybody reaching a decision. If a faith has this as an important part of its philosophy, presumably those who live under or by that faith will carry out the dictates of that philosophy. But there are other points on which I am not satisfied with regard to this question and I hope in the committee we will hear some evidence on them.

I realize that the issue of abortion has been scouted in another committee of the house in recent years, but I understand that much of that hearing was concerned with the religious opinion, perhaps I may even call it the emotional opinion, pro and con on the issue.

I also understand that some medical evidence before the committee indicated that a person who is aborted for good reason may find it more difficult in the future to bear children easily or without hazard to herself. It is this medical point that I would like to have cleared up when the committee considers the abortion portion of this bill.

I have two other points, Mr. Speaker. These concern the formula arrived at by the government in bringing this measure before us. The bill refers to accredited hospitals. Sir, only some 50 per cent of the hospitals across Canada are accredited, I gather. The provisions of this bill would probably be quite unworkable in remote areas or in most rural areas of Canada because the type of hospital situated in such areas is not accredited. Accreditation is not something which comes automatically. I understand it can be withheld because, for example, a hospital is too small, even though nothing is said against the standard maintained or the type of care provided. The hospital may simply be of a humble nature, without a large staff or certain types of equipment. I think the government, and certainly the committee, will wish to look at the formula again to decide whether it is even workable.

• (8:40 p.m.)

In the second place, the number of doctors to be involved in the panel referred to in the formula raises a question in my mind. How can places like Churchill, Manitoba, or similar towns removed from large cities, comply with this formula? There would not be enough doctors in such communities to form the committee mentioned. I think the people who drew up the formula, well motivated as they undoubtedly were, simply did not take into account the facts of life in rural Canada.

These are a few of my thoughts on the matter. I look forward to hearing more of the debate and to coming to grips with some of the great problems of our time as expressed in these clauses. I thank the chamber for its courtesy.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, the amendments proposed in Bill No. C-150 are among the most important changes to the criminal legislation ever introduced in this house. A great number of areas are affected thereby and we are asked to pass amendments having to do with more than 120 clauses of the Criminal Code of Canada. A few of the previous speakers pointed out that more important amendments have been brought in before.

Several of them are distinguished members of the Canadian Bar, including the minister himself, and they all are men of merit. As I am not a lawyer, I shall leave it to them to discuss how important were the changes made in the Canadian Criminal Code at one point or another of our history.

In his introductory remarks, the minister said that he respected the personal convictions of all hon. members. I am quite grateful to him for that.

Mr. Speaker, I respectfully listened to and reread the speeches and arguments of the previous speakers. They spoke with dignity and tried to pass on to us as much of their knowledge as possible without repudiating their own convictions.

The bill before us contains a great deal of valuable and desirable amendments. However, some provisions are unacceptable, and I can neither approve nor support them. Other important changes and clarifications could have been put in but are not included in the measure.

This proposal, important in view of the number of sections it seeks to amend, contains contentious provisions and I think, in particular, of the one that deals with abortion.

In my opinion, the right to live is a basic human right on which depend all the others

that every human being is entitled to claim. Without the right to life, we are deprived of all others.

The right to life is a natural right, for all human beings without exception, whether they are rich, poor or crippled. It means that all human lives have the same value.

That is the fundamental point on which rest our notions of justice, that is the recognition that all human beings, from their conception to their death, are equal in the sight of the law and have exactly the same right to live.

Life is the greatest possession given to us by the Creator. How many times have we not heard, from people at the point of death, the following words: I would give everything I own to continue to live or to recover? That is evidence that life is a blessing we all value.

It is a mistake to try to compare the value of life and that of a material good, because property, as human life, has a value. However, it is clear that they are different types of value. Property has value for man and for his aims, but one of the fundamental principles of our society holds that human life is a value in itself.

If we only considered the value of a person in relation to others, any human life could be sacrificed according to this point of comparison.

Such a value given by us to any human life does not depend upon the external appearance nor upon the power nor upon the intelligence of man. The life of a disabled or ill person has the same value as that of a person in the best of health.

We must therefore recognize that the child still in its mother's womb has a full human value and an equal right to live as a human being. The value of such a life before birth is compared to that of the life of a person existing already among us.

Before birth, the child is already living. The only difference is that such a child is concealed in its mother's womb so it is easier to consider it as not existing.

Mr. Speaker, the law must protect the right to live especially the right of the defenceless ones. It rests with the government to pass laws respecting all values and especially the right to live. Otherwise, what could be the value of all the other laws?

The right to live is a basic right and it is up to the legislator to legislate so as to protect such a right. The one who takes the life of another person takes away from that person a possession, a value, in fact he robs that person of a right. We restrict when it comes to thefts of any kind. People are sentenced every day for such an offence. We are shocked sometimes by the more or less strict sentence that is delivered, considering the value of the stolen articles or the frequency of such acts.

And now, we want to legalize a still greater theft, one concerning the life of a person, a value that cannot be replaced. That is surely worthy of our consideration.

All kinds of reasons are being put forward to justify the proposed amendments, especially that the law should be in accordance with our times, that it is required for the well-being of society, that one must recognize life as it is nowadays and that all our laws should be amended and adapted to the technological era.

The generations that have succeeded one another for 2,000 years have heard many proposals of that kind. Scarcely 30 years ago, war was declared; the war that was to be the last one and that was to establish peace forever. At that time, the following slogan was used: Let us save Christendom. What Christendom? I still wonder why and I am not the only one.

• (8:50 p.m.)

Mr. Speaker, I do not intend to quote historic facts and precedents to make my personal convictions and those of my constituents known. I admit that our Criminal Code and some of our laws should be amended. Moreover, we of the *Ralliement creditiste* have proved on several occasions in the past that we did not intend to depart from our line of conduct, even if we believe that our laws should be improved and brought up to date, will not accept improvements that go against our personal convictions, natural law and the right to live.

That it may be necessary to elucidate the law, I agree. But when changes are made simply to suit an individual of a group, then I disagree. We are living in a period of protest, good or bad, but in a period in which efforts are made to banish violence from our laws and our lives. However, we are asked to consider abortion as a solution to the social problem of the unwanted child.

We are reminded by history that, not so long ago, some human beings were considered undesirable and had to sacrifice their life; when six million Jews were exterminated by the Nazis. Still nowadays, human beings like

us, but of a different colour, are suffering and often lose their life. And what about the millions of political prisoners exterminated by totalitarian regimes throughout the world. Those examples are the reflection of as many social problems which will not be solved by violence.

It is truly ironic to note the situation in our country as far as social legislation is concerned. Shortly after abolishing the death penalty—a measure which has put our country in first place among those that respect human life—we want to pass a legislation which will destroy life instead of protecting it.

Canada and the Canadian people have become champions of the oppressed, defenceless individual. This is the opportunity for us to prove it to the whole world.

It is unfortunate that the clauses concerning abortion and homosexuality have been included in the omnibus bill. Bill No. C-150 contains improvements which we approve and which we would have supported. However, we cannot accept the bill as it stands now, because it is a denial of the right to live and it would legalize violence.

We think that the clauses dealing with abortion should be deleted from the bill and studied in greater detail. The proceedings of the Standing Committee on Health, Welfare and Social Affairs show that different views are held on basic issues.

In my opinion, this evidence should have been taken into consideration and the matter studied more thoroughly.

Clause 195 does not mention that human life exists as of the time of conception, thus even before birth, and it is precisely that life which has to be protected. Considering life as an intrinsic value the proposed changes are therefore not acceptable. It is on these grounds that I say that some proposals contained in bill No. 150 cannot be accepted and that certain sections of our Criminal Code are not justified. That is why the bill is contentious.

Certain sections were drafted a long time ago and they come in conflict with today's scientific discoveries.

Bill No. C-150 lists a long series of changes relating to homosexuality, abortion, the prevention of cruelty to animals, the Customs tariff, the National Defence Act, etc. I skip some of them because it would be too long a list. The number of clauses contained in this bill is quite impressive and, as I am not a lawyer, such changes leave me quite perplexed.

[Mr. Rodrigue.]

I am of the opinion that in clause 387 we put too much emphasis on animals and birds. It would be better to consider with greater attention clauses 195 and 209, dealing with abortion, and clauses 147 and 149 concerning acts in private between husband and wife or consenting adults.

I think that the sections I have mentioned deal with different values and should be studied separately.

That is why, following the hon. members for Calgary North and Frontenac (Messrs. Woolliams and Dumont) I would like the committee to submit to the house different reports on each subject.

Moreover, I think that the subjects dealt with are of capital importance for the present as well as for the future of the whole population.

Therefore, it would be fair to grant each hon. member the right to vote freely, according to his conscience, and to take the decision he will think best for society.

[*English*]

Mr. Douglas A. Hogarth (New Westminster): Mr. Speaker, I do not think the time is quite ripe for an extensive consideration of the many specific aspects of this bill's very comprehensive provisions. The bill is going to receive detailed consideration by the standing committee, and no doubt throughout the sittings of the committee the minister will be extremely interested in the committee's deliberations. It is really only at the report stage, when the bill comes back from the committee, that we can give it complete consideration. In light of some of the remarks that have been made in the house, not only by members on the other side of the house but also on this side of the house, with regard to some of the aspects of this bill I thought it appropriate to make a few comments.

Much has been said, particularly by members on the other side of the house, about law reform, and I cannot concur more with the suggestions that have been put forward from many quarters. I think the Minister of Justice (Mr. Turner) and the Solicitor General (Mr. McIlraith) are to be complimented in that this bill represents a great step toward the reform of many aspects of our criminal and penal law. In my opinion the criticism of our present parliamentary system that we are failing to keep pace with the demands of modern Canadian society is a valid one, and this is particularly so in the field of criminal law

and penal reform. If the failure of our legislators in the past continues into the future, we will bring the criminal law into contempt and disrepute.

Some of the anachronisms in the present Criminal Code are absolutely hilarious. I draw your attention, Mr. Speaker, to the definition of what is known as a game called "three-card monte". I have yet to meet a person who knows what three-card monte might be. However, if you look at the definition of three-card monte in the Criminal Code, or if you are charged with being in a place, or keeping a place, where three-card monte is being played, think of what you have to face! The definition reads as follows:

> In this section "three-card monte" means the game commonly known as three-card monte and includes any other game that is similar to it, whether or not the game is played with cards and notwithstanding the number of cards or other things that are used for the purpose of playing.

That provision is presently in our Criminal Code. It would seem to me that if we are going to amend our gaming provisions, "three-card monte" should be thrown out of the window.

We are also proceeding to amend the provisions pertaining to cruelty to animals. We are greatly concerned about cruelty to animals in our society today, but look what happens to the rooster! Consider the provisions of section 388 (2), which read as follows:

• (9:00 p.m.)

> A peace officer who finds cocks in a cock-pit or on premises where a cock-pit is located shall seize them and take them before a justice who shall order them to be destroyed.

That subsection is not part of a section pertaining to cruelty to animals. A rooster has very little to crow about under the provisions of the Criminal Code. Many other deep and far reaching changes are required and we have heard suggestions about those from hon. members during the last few days of debate. I think the Solicitor General is well aware of what changes are required. The Juvenile Delinquents Act has not been substantially changed since 1929. Its anachronistic provisions have failed to keep pace with modern aspects of society and modern knowledge about the behaviour of juvenile delinquents. In my respectful opinion, and I have had a certain amount of experience in this field, the Juvenile Delinquents Act more than almost anything else in our society today contributes to juvenile delinquency. We need forensic clinics authorized across Canada under federal auspices to deal with those who show propensities towards criminal insanity. In particular, such clinics ought to deal with those who, under our modern ideas, fall into the category of those possessing psychopathic tendencies.

Within the last decade in British Columbia several vicious homocides have been committed by psychopathic juveniles. There are limited resources for detecting and treating such juveniles. If they could have been identified and treated, perhaps these vicious crimes would not have occurred.

Many other reforms are required. Certainly, as some hon. members have said, we require reforms in the fields of bail and contraceptives. Any modern society permitting the provisions of section 150 of the Criminal Code to remain in force is bizarre.

Sections pertaining to corporal punishment and to narcotics and drugs in other legislation will have to be dealt with. Laws pertaining to contemporary problems must be reformed adequately if we are to fulfil in future our commitments to our respective communities.

You see, Mr. Speaker, our difficulty stems from the fact that the house must deal with a good many different problems. We must deal with agricultural problems as well as financial problems. In addition, we must direct our attention to specific aspects of human life. We can only do that by introducing an omnibus bill. It could easily be argued that this bill should be split one, two, three or four ways, and I could concur in that argument quite easily. If the bill were to be split I should want it split into 25 or 30 different sections. But if we did that we should be here for three or four years; debate would be endless, and at the end of that time we should only have taken a few steps towards the revision of the law. Admittedly one can argue in favour of having an omnibus bill just as one can argue against it. I remember a drug prosecutor saying in Vancouver, "You know, My Lord, there are pros and cons in favour of the offence and there are pros and cons against it." The omnibus bill is before us and we must do our job. Naturally, individual people will have reservations about certain parts of the omnibus bill. That must be so when you have a bill with 120 clauses. I have reservations about parts of the bill, in particular about clause 2, the extended definition of the Attorney General. I also have reservations about clause 45 which has to do with the manner of preferring an indictment in the

absence of a preliminary hearing. I think it hamstrings a prosecutor. I am deeply concerned also about a number of other substantive measures which have been referred to in the house in the last few days. All the same, I think the bill ought to pass. We must not forget the pledge we made to the Canadian public on June 25. The Canadian people voted this government in with a majority, and we are duty bound to bring in the provisions of this bill. If we do not, we shall have broken our pledge to the people. And keeping our pledge to the people is as much a matter for the individual conscience as the way we vote on any one of the provisions of the bill.

Some hon. Members: Hear, hear.

Mr. Hogarth: I was interested in the comments of several hon. members. I shall take up what they said in greater detail when the bill goes to committee. The hon. member for Halifax-East Hants (Mr. McCleave) today, and the hon. member for Yukon (Mr. Nielsen) by implication, pleaded for a more enlightened attitude towards alcoholics. The hon. member for Yukon was concerned about the native peoples of the Yukon Territory who are afflicted with the all too prevalent malady of alcoholism. The malady is not confined to native people only. It is prevalent in British Columbia as it is in the rest of Canada. Yet in the metropolitan areas of British Columbia, alcoholics are not considered criminals any more. We consider they are afflicted by a malady over which they have no control. We recognize that and deal with them accordingly.

If we deal with alcoholics that way, should we not also deal with homosexuals in a similar way? Should we treat the homosexual as a criminal? Although the homosexual's affliction is not the same as the alcoholics in kind, it is in substance. The homosexual has no control over his behaviour. He is either born that way or develops his sickness at an early age. He cannot change apparently; so why put him in jail. If anyone were to say about homosexuals, "Put them in jail" they would be advocating taking a step back into the dark ages. Although we have talked a great deal about the homosexual's perversions, no one so far as I am aware has spoken about perversions in sexual conduct between males and females. The only case of sodomy in which I was involved during my 20 years of practice concerned a relationship between a male and female.

[Mr. Hogarth.]

Mr. Lewis: Will the hon. member permit a question. May we take it the hon. member was involved as the lawyer?

Mr. Hogarth: I was involved as a lawyer. I will tell the hon. member about the case later. It was fascinating. In any event, I wish to say that immoral as these private relationships may be, I do not see why any statute should classify them as crimes.

There is one aspect of the bill in which hon. members may be interested and about which I am concerned. I am wondering whether amendments to the Criminal Code dealing with prostitution contain provisions which apply to systems of homosexual prostitution. In my own mind I am not satisfied that the soliciting and vagrancy clauses, as well as living off the avails sections of the act, will be found in our courts to have application to systems of male homosexual prostitution. This is something we ought to bring to the minister's attention when the bill goes to committee.

• (9:10 p.m.)

A great deal has been said about the changes to our abortion laws. I concur heartily with the remarks of the hon. member for Windsor-Walkerville (Mr. MacGuigan), that the amendment is not merely clarifying the existing law. On the other hand, I have never accepted reasons for the amendment as put forward by Jack Lederman in the *Law Quarterly Review*. Neither do I accept some of the reasons for the amendment as advanced by the Minister of Justice. A doctor or, for that matter, anyone else who is accused, can always say, "I had to operate on this woman so that she would not die. I had to preserve her health." That defence is still preserved under section 7 subsection 2 of the code. In other words, all common law defences are preserved. It must be remembered that the indictment would read, "Did unlawfully procure the miscarriage," etc. It would therefore be up to the court and jury to decide whether the abortion was necessary under the circumstances. The judge will decide whether or not an offence has been commited. In addition, I find it impossible to accept the idea that hospitals in the country should perform these operations under a diagnostic title, such as diagnostic curetage. Some of the hospitals are ridiculous enough to suggest that they are fertility examinations. Hospitals are performing these operations, and they should be stopped. I cannot see any justification for

reform on the basis that hospitals are performing these operations. If hospitals continue this practice, what is to prevent the young people from bringing pressure on the government to change the laws with regard to marijuana or taking the law into their own hands. This is absolutely no basis for reform of the criminal law. There is a greater and more pressing need which arises out of the fact that inasmuch as our laws are designed to preserve health, freedom and property, they should be designed to prevent human suffering.

If any one of our laws brings about human suffering, then it should be changed or at least carefully scrutinized to see if it is necessary to preserve social order. Section 237 of the Criminal Code can cause grave human suffering. As an example I cite the case of a woman who is told if her pregnancy continues she is going to die, suffer mental illness the rest of her life, or a grave defect of that nature. I ask myself whether we should continue such a law?

I recognize there are many women who are quite prepared to accept the risk of death in order to have a child. They are quite prepared, on the basis of religious belief, to accept this risk as the will of God and proceed. This is quite proper and they should not be condemned. However, we must bear in mind there are many women in this country who are not of the same persuasion and if they are to be condemned to die how are we preserving human life? Who is preserving human life? These women are being sentenced to death, just as if capital punishment were being inflicted upon them. Surely, this is a case in which life should be preserved. One life is yet to come but the other life is in existence and unfortunately, has tremendous family and other social responsibilities.

I am not unmindful of the history of the law of abortion and the fact that even in the eyes of the church it has not always been a sin or against the law. It is only in comparatively recent times that abortion has become a sin in the eyes of the church. The church has always moved, and I hope always will, to preserve the life of the unborn. Quite apart from being influenced directly by any religious organization or religious dogma, our law has always been directed to the protection of the unborn. There are countless ways in which this could be demonstrated. It is inherent in many aspects of the civil law, such as the rule against perpetuities advanced in the case of Shelley. I do not think we should treat the conceived child as something less than unique in human experience. It is not an animal, it is something new because it is going to become a part of society.

I could never agree with the suggestion that the unborn child should be destroyed merely at the whim or fancy of the mother because I think responsibility for the unborn child lies in the field of social order. Despite the very eloquent pleas raised by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) and the hon. member for York South (Mr. Lewis), I do not see how we can say that the question of abortion should be left entirely to the mother and the doctor. I believe society has a responsibility to acknowledge that unborn human life has always been entitled to some protection. In my experience the problem has not been the 16 year old girl who finds herself in trouble and wants to get rid of the child. She might well want to, but she is still dependent upon her parents. She is subjected to tremendous pressure by father, mother, Uncle Charlie and particularly her boyfriend to get rid of that child. Despite the fact this child may have been immorally conceived a girl may be anxious to fulfil her own life by having this child. She should be given the protection of the law and I suggest unborn children should have that same protection.

From time to time when dealing with women involved in matrimonial difficulty, we have been told that they have aborted their third child. Many of us have heard them say, "I would have had the child, I wanted the child, but the old man said get rid of it or get out." It seems to me these women are deprived of the protection of the law. I do not think that should be done in the interests of the social order in the community of the people we represent. There must be a balance. We cannot go whole hog. The Japanese did this and they are now regretting it. There is no other nation in the world with the exception of Japan that has gone so far as to say it is a matter between the mother and the doctor.

It may be the committee will have to scrutinize carefully the word "health". That word is very vague and broad in meaning. Possibly its implementation in the law is not going to carry out the design of parliament and the committee might give this further consideration. With the greatest of respect to the minister, I am equally concerned that the amendment does not go so far as to protect women who have conceived as a result of rape, girls under the age of 15 or imbecilic women.

A woman should not be required to prove that she is going to be a mental or physical wreck or that she is going to die in order to be able to rid herself of a pregnancy she does not want as a result of a crime against her body. I am of the view that is a simple right that should be given to women as members of our community. Apart from abortion, and one could go on very extensively on that subject, there are a great many aspects to be considered.

I think one of the most fascinating aspects of this bill is the provisions of section 16 dealing with the compulsory breathalyzer test, I am somewhat appalled at the members on the other side of the house. They have a Perry Mason over there and I am surprised he did not cut this section to shreds, as it has some incongruities in it.

• (9:20 p.m.)

But in any event before I get into what those incongruities might be I would like to point out, Mr. Speaker, that we have a responsibility to take some very firm steps to prevent carnage on our highways. The minister's statistics about the serious accidents being caused by impaired and drunken drivers are absolutely correct. These statistics are borne out by the experience of almost every lawyer in Canada who has had familiarity with these types of cases.

The statistics quoted by the minister might well be bolstered by the fact that in 1966 over 30,000 people in Canada were arrested and convicted on impaired or drunken driving charges. That figure was up from the year before by about 3,500. There has been another increase since and some firm steps have already been taken.

In British Columbia the attorney general gave grave consideration to the imposition of compulsory breathalyzer tests and after very extensive consideration the department rejected the idea. We have adopted, if I may respectfully submit, a far more Machiavellian system. In British Columbia if a police officer, upon stopping an accused person, has reasonable and proper grounds to believe that the man is impaired, he automatically arrests him. The man is taken to the police station and is given the option of taking a breathalyzer test or refusing it. Usually the officer is somewhat sceptical if he refuses it.

Where the police officer does not know for sure that the man is impaired, but knows he has been drinking, he forthwith on the highway gives him an option to do one of two things. The man can thereupon give the officer his driver's licence for 24 hours, or alternatively he can go down to the police station and take the necessary test. If the man takes the breathalyzer test and his reading is .08 or more, his licence is subject to suspension. It is not very long before he gets a letter from the superintendent of motor vehicles telling him his licence has been suspended for three months.

In the year 1967 when this system was introduced out of 3,900 drivers stopped on the highways of British Columbia, 3,750 walked home. You can see how reluctant they were to submit themselves to the test. I think you can see, Mr. Speaker, how efficient this system is in getting these people off the highways.

Mr. Lewis: For 24 hours.

Mr. Hogarth: Suspended for 24 hours.

Mr. MacEwan: And they can walk home and get the second car.

Mr. Hogarth: Just wait until I finish my remarks. I suggest that we compel them to take the test. I think that is a good idea, and is one of the reasons I am supporting this bill. However, I suggest that if the test shows a reading of .08 or more, then they should get an automatic suspension of their licence.

The reason I say this is that those of us who have dealt with impaired drivers have found the critical factor is not the ignominy of being convicted or the fine. It is the fact that in nine out of ten of these cases the magistrate suspends the licence and, if he doesn't, the superintendent of motor vehicles does. This is the thing that hurts. If you take a good look at the proposed section 16 you will see that is pretty well trial by machine anyhow. There are not a great many defences that I can think of that could be raised. But even in the system I put forward if there were defences you could give the accused an opportunity to appeal to a magistrate, as in the gun provisions, if he felt he had been dealt with unfairly. This is something the minister might consider during the course of the deliberations of the committee.

I do not propose to comment much further on this proposed breathalyzer test, except to one aspect. I notice that under the breathalyzer provisions in the bill the police officer who is giving the test shall offer to the accused a sample of his own breath. The provision stops

there. What in the world is he going to do with it? I have tried to figure this out.

I spoke with the senior prosecutor in Vancouver at the week end, Mr. Stewart McMorran, and we discussed what the man would do with this sample. We had several colourful suggestions to offer but none that would lead to any cogent defence to a charge under this section. I am sure the minister will agree that probably that section should not be brought into the law until we have a good idea as to where an accused can go with the balloon full of his own breath. If he is found leaving the police station with a balloon in one hand, he will probably be arrested again for being in a state of intoxication in a public place. There is nothing he can do. He can sing, "Hi ho come to the fair," and leave it at that.

So far as this proposed section is concerned somebody will have to take a good look at this provision relating to the accused getting a sample of his own breath. By the way, Mr. McMorran had discussed the matter with Mr. Fennell, the city analyst in Vancouver, and so far as they know a balloon is the only thing that will hold human breath. However, the balloon will not stay blown up for more than two hours. I suppose the accused could run from the police station to the R.C.M.P. station out at Burnaby, or out in my riding, and hope to get some help from another breathalizer tests, but I doubt if this would get him very far.

There are some other defects in this proposed section that I am amazed some of the other Perry Masons on the opposition side have missed.

An hon. Member: We want to give you a chance.

Mr. Hogarth: That is very good of you. I waited until today to speak because I wanted to let everybody else go first. There is the matter of the two hour provision. This is something the standing committee will have to consider. I am sure the minister has the answers, but these are things that we should bring before him for his attention and consideration.

I could speak on the lottery and gun provisions included in the bill for quite some time this evening, but I shall reserve my remarks until a later stage because these provisions are quite complex.

I would not want to conclude my remarks tonight without some mention of those aspects of the bill which deal with penal reform, as opposed to reform in the penal law. There are probably about three very cogent provisions. One can look through all the proposed sections and subsections but I think one ends up with three basic changes. The first is the extension of the power of the court with respect to the imposition of suspended sentences. Certainly not the least of the contributions that are being made to reform is the fact that we are wiping out any suggestion that if the person involved has a previous conviction he cannot get a suspended sentence. This is something that has plagued lawyers for a number of years.

The second thing we should take careful note of is the fact that the parole board is going to be expanded. The result of the expansion of the parole board will be that it will be empowered to sit in Panels throughout the country. Those of us who served on the justice and legal affairs committee and heard the Solicitor General (Mr. McIlraith) and the Chairman of the National Parole Board were pleased to see that penal reform in this country is taking the direction of further parole. It is all very well to put a man in jail to rot when he has been convicted of a criminal offence. It is all very well to teach a thief to be a tinsmith, but under the old system if you teach a thief to be a tinsmith and nothing more then when he is released all you have is a tinsmith who is a thief.

Mr. Lewis: A far more qualified thief.

Mr. Hogarth: A far more qualified thief if he requires the use of his tinsmith skills. But what we have to do is to consider the welfare of the community because we are dealing in these instances with some extremely vicious men. Let us not pretend that they are all nice guys gone wrong. Some of them are inherently vicious. Some of them when released at the conclusion of their terms are homocides going somewhere to happen.

There are things to consider here in relation to the prisons themselves, but the best way to achieve reform is to get a man back into the community under the supervision of competent penologists. These are called probation officers. They are the men who do the most good. This is the direction the law has taken. You will note the extended definition, as the hon. member for Halifax-East Hants (Mr. McCleave) mentioned, of day parole. That hon. member spoke about Judge Haley's actions in this regard. The day parole is one of the interim steps toward reform. We are now doing no more than defining some of the

steps that have been rather vague in the past, even though they were taken by prison officials.

• (9:30 p.m.)

This will be of great benefit. It is being done now in the province of British Columbia. It is paying off, because men are slowly being rehabilitated rather than to being shoved out the prison door with someone saying, "There is your suit and $35, find a job". This is part of the rehabilitation process and I could not endorse it more.

As much as I might have reservations about some aspects of this bill I think, by and large, the bill will move us ahead. We have been a long time getting ahead with these amendments. I sat on the original committee of the British Columbia Bar which dealt with the matter of abortion in 1962. Here it is 1968.

Mr. Lewis: You are a good Liberal; you are only one year behind.

Mr. Hogarth: In any event here it is 1969, and we are just now introducing these changes. Although I have reservations about certain aspects of the bill, I realize there are so many more reforms which must come about that we should take these interim steps now. They might not all be satisfactory to all of us but let us take this much now. If I wished to include rape, incest and carnal knowledge in the provisions of this bill, I could bring these things up later; but let us take these steps now because it takes so long to get even the most modest measure through. That is one of the reasons I am 100 per cent behind the provisions which are before us.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I listened with a great deal of interest to the hon. member for New Westminster (Mr. Hogarth) who has just taken his seat. I noted with interest that he prefaced his remarks by stating that he had reservations about this omnibus bill, Bill C-150. Then, having expressed his reservations concerning the bill, he went on to state that he intended to support it. I find this a little difficult to comprehend. I listened with a great deal of interest to the hon. member and found nothing to reconcile my comprehension of his initial statement that he had reservations about the bill because it seemed to me he intended to support the bill with a great deal of enthusiasm.

I do not think the hon. member who just took his seat could have been present in the house when his colleague, the hon. member for Hamilton Mountain (Mr. Sullivan) made his speech because, in trying to justify his support of the bill notwithstanding the fact that he had reservations about it, he went on to say as did the Minister of Justice (Mr. Turner), in his introduction of the bill that the government had a mandate from the people of Canada to introduce this legislation in its present form. That is not the way I understand it. With respect, I submit to you, Mr. Speaker, that is not the way the people I represent understand it. I submit also it is not the way the Minister of Justice initially understood it. If my memory serves me correctly it was the government's intention to introduce this bill broken down into at least four parts. In other words, we would then not find ourselves in the awkward position we are in today. Some of us are in the invidious position today at least of having to vote against the bill, notwithstanding the fact that we support the greater portion of the bill.

I am not one of the Perry Masons referred to by the learned gentleman who just took his seat. I am not a barrister or a practitioner of the law; but I do think I represent a great number of Canadians who are very much disturbed over the fact that we are introducing this legislation in this form. I am concerned about it. I am concerned about it as a parent, as a Canadian and as a benefactor if you like of the Judaeo-Christian traditions. I am concerned about it because I ask, where does it end.

We have before us a major piece of legislation dealing at once with the very sacred laws of life itself and the rather mundane laws of lotteries and gun control. I support with a great deal of enthusiasm those clauses of the bill which would amend our Criminal Code of Canada to make it possible to eliminate the carnage on the highways because of drunk driving. I support the breathalyzer test. All Canadians are in favour of that. I support the amendment to the Criminal Code which would make lotteries possible in Canada. Indeed, I support that particular amendment very strongly. I support the amendments which would at least take a step toward some measure of gun control in Canada, because we are all greatly concerned with the violence in our country. We are aware of what is taking place south of the border to which eloquent reference was made today by the right hon. member for Prince Albert (Mr. Diefenbaker). We are concerned with all these things and we support them. We support the

government's move to provide amendments to our laws to make these things practical and possible.

So far as the amendments to the Criminal Code concerning permissive homosexuality between consulting adults are concerned, I could not care less. It is a matter of complete indifference to me. I submit it is a matter of great indifference to the vast majority of Canadians; they just could not care less. But, Mr. Speaker, like the hon. member for Hamilton Mountain I am greatly concerned with the clause in the bill dealing with abortion. I am concerned because it pricks at my conscience. I shall not detain the house tonight with a long speech.

• (9:40 p.m.)

We have listened during this debate to members of this house who are distinguished members of the bar. As I understand it, the hon. member who just took his seat is a distinguished member of the bar of British Columbia. It is also my understanding that the hon. member for Hamilton Mountain is a distinguished member of the bar of Ontario. I am not going to repeat the arguments of the hon. member for Hamilton Mountain, relevant and important though they may be. Nor am I going to repeat that very cogent arguments presented to the house by the hon. member for Calgary North (Mr. Woolliams) and the hon. member for Yukon (Mr. Nielsen). I am going to present my own views.

I am not going to quote any authority but I should like put on the record the fact that I subscribe to the view of the hon. member for Hamilton Mountain and not to the view of the hon. member who has just taken his seat or the view of the Minister of Justice (Mr. Turner). The latter members tried to justify to this house the failure of the government to split this bill by saying they had a mandate from the people of Canada to present it in its omnibus form. The hon. member for New Westminster (Mr. Hogarth) said the government had no alternative because they had a mandate from the people of Canada. The hon. member could not have been present in the house when his colleague, the hon. member for Hamilton Mountain, made his speech. His remarks appear at page 4785 of *Hansard* and I quote:

> I believe that, regardless of party affiliation, each hon. member of this house must vote on this issue according to his own conscience, as it goes far beyond party lines or other man made disciplines. For this reason I am opposing the proposed amendment concerning the law of abortion in its present form and intend to vote against this bill.

The hon. member then continues, again recorded at page 4785:

> Contrary to some unfounded and untrue reports, Mr. Speaker, I should like to inform you and the members of this house that my position on this matter is the same now as it was before nomination day and as it was before the election, and I made this fact known publicly during the campaign.

He was indicating to the house, and I am not putting words into his mouth, that he had the full support of his party when, before the election, he stated his opposition to the amendments concerning abortion. He concludes by saying:

> In conclusion I should also like to inform you, Mr. Speaker, and the members of this house that at no time did I get any request from the Minister of Justice (Mr. Turner) to change or alter my position on this matter, and I would like to thank him publicly for this consideration.

Whose view should we accept on this? Do we accept the view of the hon. member for Hamilton Mountain who spoke so eloquently and conscientiously in the house, or do we accept the view of the hon. member for New Westminster who also spoke eloquently but, I suspect, not so conscientiously? I am a little perplexed, but I am not bothered because I know what I am going to do.

I am not going to take up the time of the house tonight because all the things I would like to say were said in a most eloquent way by the hon. member for Hamilton Mountain. I am in a position where I am going to oppose the bill. I am going to oppose it because, notwithstanding the fact that the bill contains many measures I would enthusiastically support, this bill contains a provision which tears at my very conscience. In my humble estimation, it contains a provision which tears at the very root of life itself. I submit to you that it ill behooves any member of this house to make lightly of this matter, although the sections of the bill dealing with the breathalyzer test and lotteries, to bring humour to the debate, are tempting, indeed. When the bill contains provisions relating to what I consider to be the very essence and sacredness of life itself, I say it ill behooves any member to make lightly of it.

I speak as a member of this house and I believe firmly in what I say. My words are dictated by no dogma or pressure group, but are merely dictated by my own conscience. They are dictated by my own feelings for the

sacredness of life itself. I speak from my limited experience, not being a barrister or practitioner of the law. I speak as a parent, as the father of six children, and as one of a family of 15 children. I speak with all of the honesty I can muster. In doing so, it is my hope that other hon. members will speak in the same vein and will perhaps understand why there are those in this house who cannot find it within their conscience to support this bill. Regrettably the government, notwithstanding the views or the wishes of the present distinguished Minister of Justice, chose to present this bill in its present form including clause 18, which to many of us is repugnant.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, a good deal of the debate that has taken place regarding bill C-150 has revolved around the procedural situation in which we find ourselves. This was the crux, indeed, of the speech by the hon. gentleman who has just taken his seat. He like others has complained that the bill is before us as one piece containing things that some members like and others that they do not like. I believe I can say that it is not my practice to let any government, Liberal or Conservative, put anything over on me procedurally. Whenever I have felt that the government of the day was trying to do something wrong by violating our practices or procedures I have said so in the clearest language I could use.

• (9:50 p.m.)

I want to say quite categorically that I do not think the practices of parliament are being violated by what is now before us, but rather some of the members who have been complaining about having to vote for this bill in one package will get a rude awakening when we come to a stage in our proceedings that was brought into effect by the rule changes we made just before Christmas. I thought that we debated those rules at considerable length. I thought that members were aware of what we were doing. But it seems to me that some members just do not realize what happened.

May I remind this house, and particularly those members who are still calling for the splitting of the bill, that we did two or three things about the legislative process when we altered the rules. First of all, although we did not in my view downgrade the second reading debate, we did downgrade the vote on second reading. We said: From now on at second reading we are not voting for the principle of the bill as though it were sacred and not to be changed thereafter. We are merely voting to consider what is involved in this bill and to pursue it through further stages.

We decided, in fact, that the point at which an ultimate decision is taken should be later in the process, and therefore we upgraded the third reading vote and coupled with the words "that the bill be now read a third time" the words "and pass". But in between those two stages of second reading and third reading we instituted a report stage. That stage is a very important one and it will come into play on this very bill in a way which I think will answer those who have said that they are being treated unfairly.

What is going to happen? This bill, after it has had second reading, as I am sure it will, will go to the standing committee on justice and legal affairs. In that committee it will be considered clause by clause. Granted, only a handful of the members of this house will be there. If that committee makes no changes—for example, if that committee does not change the section with respect to abortion and it comes back to the house in the same form, members might say that was just a case of going through the motions. But when Bill C-150 comes back from the standing committee to be considered at the report stage, I ask hon. members to face what is going to take place.

Just as sure as I am on my feet tonight, there will be amendments moved by members. That will be done, as provided by the rules, to the clauses having to do with abortion, homosexuality, breathalyzer tests and half a dozen other things. Motions to amend the bill with respect to these particular subjects, these particular clauses, will have to be put to the house.

Mr. Turner (Ottawa-Carleton): As a whole.

Mr. Knowles (Winnipeg North Centre): Just a minute. These amendments will have to be put one at a time.

Mr. Turner (Ottawa-Carleton): To the house as a whole.

Mr. Knowles (Winnipeg North Centre): I am sorry; yes, to the house as a whole. If there are several amendments that are alike, Mr. Speaker will have the power to select which ones are to be placed before the house.

But each and every one of these contentious subjects will be before this whole house—not a standing committee, not a committee of the whole house, but this whole house with Mr. Speaker in the chair.

Let us take, for example, the provision regarding abortion and let us suppose the standing committee does not change it and the bill comes back with the clause in it which would provide for the changes the government has suggested; there will be members in this house who do not want to support those changes. I am sure that one of them, with a seconder, will move that Bill C-150 be amended by deleting that clause. That amendment is debatable with Mr. Speaker in the chair. There is a certain limitation in that the first speakers can speak for 40 minutes, and after that members may speak for only 20 minutes. But at the end of that debate the bells will ring and a vote will be taken.

What will that vote be? It will be a vote on the issue of abortion by itself. I may say that those of us who do not think the abortion provision in the bill goes far enough will be in a position to move another kind of amendment, that the abortion provision be made more in keeping with modern understanding of this problem. That amendment will have to be voted on. So I might go on with regard to homosexuality; it will be singled out and voted on by itself. If there are people who do not like the proposals regarding breathalyzer tests, there will be an amendment moved that singles out this subject by itself.

Mr. Turner (Ottawa-Carleton): If the house so chooses. If a member so chooses.

Mr. Knowles (Winnipeg North Centre): So long as there are two members who want to see a change, one moving a motion and one seconding it—

Mr. Turner (Ottawa-Carleton): Exactly.

Mr. Knowles (Winnipeg North Centre): —there will be a vote on that issue. I, for one, like some others, am strongly opposed to the idea of state lotteries. I have already planned to present an amendment, if the standing committee does not do it, to delete those portions of clause 13 of the bill which provide for state lotteries. When the vote comes on my amendment, if I have the privilege of moving it, that will not be a vote on a whole package. It will not be a vote on several things some of which a member may like and some of which he may not like; it will be a vote on the issue of state lotteries by itself, just as if it were a separate Bill. So I say that every contentious issue in this bill, every issue about which hon. members have strong feelings, will come up for an isolated vote, a vote by itself.

Mr. Turner (Ottawa-Carleton): Can come up.

An hon. Member: Yes, can come up.

Mr. Knowles (Winnipeg North Centre): My hon. friends are saying, can come up. They are right, technically speaking. But I suggest that if there is a strong feeling about it, members will make the amendments and in that sense the votes will come.

• (10:00 p.m.)

Mr. Turner (Ottawa-Carleton): Any member who wants a vote, and can find a seconder, will get a vote.

Mr. Knowles (Winnipeg North Centre): That is absolutely right. I suggest that those members who now say they will not be able to vote for this bill, because although there are some things in it which they like there are others which they do not like, will not be able to use this excuse when it comes to voting on specific amendments at the report stage. As the hon. member for New Westminster (Mr. Hogarth) said, you cannot take a bill like this and divide it into 120 bills; in a matter like this you have to deal with it in a package. But particularly under our new rules there will not only be the opportunity but the obligation to stand up and be counted on every one of these contentious issues. I think we should not have any more of this nonsense about our not having the opportunity to vote separately on these issues. We will get the opportunity when we reach the report stage of the bill. It is an opportunity members will not be able to escape.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I do not like split speeches any more than I like split infinitives—

Mr. Turner (Ottawa-Carleton): Or split bills.

Mr. Knowles (Winnipeg North Centre): — but I see it is ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order 40 deemed to have been moved.

DOMINION-PROVINCIAL CONFERENCE—POSSIBLE INCREASE IN OLD AGE SECURITY BENEFITS

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles).

Some hon. Members: Again?

Mr. Turner (Ottawa-Carleton): Now I understand.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday, January 20, as recorded in *Hansard* at page 4489, I put a question to the Minister of National Health and Welfare (Mr. Munro) on the basis of a federal-provincial conference of welfare ministers that had been held some days earlier.

I asked the minister whether he would soon be making a statement as to the government's intentions regarding pensions, allowances, the guaranteed annual income, and so on. I concluded my question with these precise words:

Can he also state at an early date whether it is the government's intention this year to increase the basic amount of the old age security pension?

The Minister of National Health and Welfare (Mr. Munro) gave me a reply containing about 12 lines, to the effect that the whole matter was under review by the government. Whereupon, I put to him this supplementary question:

Does that review include a study of the possibility of increasing the basic amount of the old age security pension?

The minister replied:

It is a factor which will be included in the review.

It is nice to know that in a general, academic way the question of the amount of the old age security pension is part of this general review which the Minister of National Health and Welfare is making of social welfare policy. As a matter of fact, we are getting so many of these reviews by the government it is just about time we set up a task force to review the review committees to see how they are making out.

I want to express tonight the belief that reviews do not make life any happier for the old age pensioners of this country. We had something of a debate on this question under another heading between five and six o'clock this evening when hon. members on all sides said that what was proposed at that time was not enough, that we needed to take positive steps to improve the position of our old age pensioners. My question the other day related specifically to a positive step which I believe is a very urgent need, that of increasing the basic amount of the old age pension from the present figure of $75 which has remained constant for several years, except for the 2 per cent annual adjustment.

One senses in this parliament great difficulty in getting any kind of response to these pension questions. Whether we are pleading the case of veterans living on war veterans allowances or drawing attention to the plight of retired civil servants or of old age pensioners generally, we are put off with answers to the effect that the matter is being considered, that the position is under review, and so on. Times are moving on, Mr. Speaker. Wages and prices are rising. For some, our society is becoming more affluent. I think it is no credit to our society, no credit to our government and no credit to this parliament if we cannot do something for our old age pensioners to keep them in the main stream of our society, and I put my question to the government very simply: is it not time that consideration was given to increasing the amount of the old age pension from that $75 figure to a figure much higher? As I indicated earlier this session, I myself think the guaranteed income supplement should be incorporated into the basic pension and the whole amount raised to at least $125 a month.

While we are asking for these matters to be considered, Mr. Speaker, we also have certain fears because of the occasions on which the government talks about passing various welfare programs over to the provinces. There was a suggestion earlier this session that in five years medicare would be turned over to the provinces. Question marks have been raised in connection with family allowances as well as other welfare and assistance programs. This makes some of us wonder whether the present government is dismantling the whole social security program which has been built up over the last 40 or 50 years.

The Minister of National Health and Welfare did say something the other day to members of the press which was somewhat reassuring. He was asked whether there was any likelihood of the old age security program being turned over to the provinces,

with the federal government getting out of that field. His reply was that the federal old age security program was the lower deck, of the total program, the Canada Pension Plan being the upper deck, and therefore it could not be surrendered. It is good to know that there is something that protects the old age security program, that it cannot be done away with but that it has to remain as a base for the Canada Pension Plan.

I would remind the government that when we were discussing the Canada Pension Plan and asked whether the bringing in of that plan meant that old age security had to stay at $75 a month for the rest of time, we were told that this was not necessarily so; that as time went on, as wages and prices went up, it was quite possible to raise the amount of that basic old age security pension to a higher figure with the benefits of the Canada Pension Plan being in addition thereto. I do not want this to wait until today's old age pensioners are dead and gone. I think that the time for action on this matter is now. In all this talk about the just society, there should be some place for our older people.

I hope that the parliamentary secretary, or whoever is going to answer me tonight, will be a little more precise about the possibility of an increase in the basic amount of the old age security pension during the course of this session. This really is a must.

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, needless to say the government does not intend to repeal the social security programs it has set up, but on the contrary to establish standards in some cases and to give provincial governments, if necessary, enough authority to carry out these programs, even though insofar as we are concerned we could open up new areas in the field of social security.

I already answered a similar question raised by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), and I would like to thank the hon. member for Winnipeg North Centre (Mr. Knowles) for his concern for our older citizens—a concern shared moreover by all hon. members.

In this regard there are several points I should like to bring to the attention of the hon. member. Firstly, the amount of the basic old age security pension has been increased in two successive years as the result of a rise in the pension index. In January 1968, the amount of the basic pension was increased from $75 per month to $76.50, and in January 1969 the amount moves to $78 per month. If the cost of living continues to rise, further increases will take place.

Recognizing that a number of older people had little or nothing beyond their old age security and, further, that they could not benefit under the Canada Pension Plan, the government introduced the guaranteed income supplement program. This provides a supplement to the basic old age security pension of now up to $30.20 per month. Eligibility is based on a simple test of income. By virtue of this amendment to the Old Age Security Act, it is expected that in January 1969 some 800,000 old age security pensioners will benefit under the guaranteed income supplement program. Many will receive the maximum, which means their total benefit will be $109.20.

I am sure the hon. member and his colleagues agree that the contemporary guaranteed income approach is the most effective and most responsible approach to a just society.

Realizing that a number of pensioners need supplementation beyond the maximum of the combined old age security-guaranteed income supplement, the federal government, through the vehicle of the Canada Assistance Plan, makes this possible. Under the Canada Assistance Plan, the federal government will share 50 per cent of the cost of any supplementation made by a province to an old age security pensioner. There is no ceiling on the amount of such supplementation, eligibility being based on a test of need.

Finally, I should like to re-emphasize what the minister has already said on a number of occasions, that is, that all our social security programs are under intensive review at present by the government. When this review is completed, if firm conclusions are reached, they will be announced to the house. In the meantime, I want to assure all hon. members the government is desirous of Canada having an overall social security program designed to meet the needs of various segments of our population, keeping in mind the resources which are available.

• (10:10 p.m.)

[*English*]

MEDICAL DIRECTOR—MOOSE FACTORY

Mr. Ralph Stewart (Cochrane): Mr. Speaker, when I raised a question earlier today about a petition sent to the Minister of National Health and Welfare (Mr. Munro)

having to do with the medical director in Moose Factory, I raised the question because of the national coverage the matter received last night on the program "The Way It Is". I think it is unfortunate that people, before trying to solve their problem in the normal process, seek widespread publicity in order to bring one side of the story before the public. Such actions sometimes arouse prejudices in the minds of those who would like to take an unbiased view of what is happening.

The members of the native band at Moose Factory sent the minister a petition. They sent a copy to me, to the C.B.C. and to others. The petition reads:

> We the people of the Island of Moose Factory hereby present this petition to the Minister of National Health and Welfare, the Rt. Honourable John Munro M.P., and we demand that the Medical Director of Moose Factory General Hospital, Dr. C. K. Bridge and Assistant Zone Director, B. H. Funston be removed forthwith. We feel that we have legitimate reasons for this demand and will cite the following which are only a few examples of the misconduct and flagrant disregard for human dignity by these two men who have set up themselves as Colonial Masters of our Island.
>
> 1. Dr. Bridge refused to give medical treatment to the Indian population for which he is responsible.
>
> 2. The Minister must be aware of the death of Mrs. Minnie Cheechoo an Indian woman of the Indian reservation on December 12th, 1968. We feel that the death of this woman who left four young children is due to the direct cause of the gross negligence of Dr. Bridge.
>
> 3. After the death of Mrs. Cheechoo one of her sons were taken ill and again this child was refused ambulance service.
>
> 4. The Assistant Zone Director, Mr. Funston who is also the Administrator indulges in discriminatory practices in hiring Indian Personnel.
>
> Again we reiterate our demand for the removal of these two men and request an investigation into their misconduct.

I have received representations from others about the operation of the hospital at Moose Factory. Perhaps the minister would be willing to allow an investigation of all these charges to be conducted. I take no sides in the matter, although I think the program last night showed one side of the story without covering adequately the other side. Certainly, when stories start to develop in small communities like Moose Factory they become exaggerated. I know the program left the impression in the minds of many that Mrs. Cheechoo died as a result of not being taken to hospital. Others claim that is not the case and that Mrs. Cheechoo would have died in any event. The latter allegation was not included on the program.

It may or may not be true that Dr. Bridge is behaving like the colonial master of the island.

[Mr. Stewart (Cochrane).]

The truth can only be discovered if the department investigates the charges. Certainly, it would not be the first time that a man from "back 'ome" has displayed an imperialistic attitude towards Canadians. I think we all have had that experience. As I say, the facts of this matter ought to be looked into.

Nevertheless, we ought to condemn no one just on the say so of one group of people. I think it is our duty to look into all aspects of this situation. Perhaps the C.B.C. which is quick to go after sensationalism will be on hand after the investigation is completed, so they can give a full and unbiased account of all the fact. I would ask the representative of the minister to give some indication as to what is being done in this regard.

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I congratulate the hon. member for the concern he shows more particularly for those who rank amongst the most unfortunate and forsaken in life and who, for that very reason, are in greater need of attention. I also congratulate him for putting this serious problem to the house with such calm.

I know the minister feels very deeply about this situation. He already has visited the Great Canadian North on two or three occasions, and he intends to complete his tour so that he might have visited all the areas which fall within his jurisdiction. Such visits may lead to favourable results for those who are in need of those services.

Still, it must be remembered that the Moose Factory hospital serves a large group of Indians who live partly isolated, on islands, where extremely harsh climatic conditions doubtless add to the tension and their feeling of frustration. But, because of the physical location, of the hospital, at times it is difficult to recruit personnel. Indeed, it takes great missionary spirit and much generosity to accept such isolation and devotion to the sick in underdeveloped areas.

I know that the doctor in charge is very well liked by his staff who give him their wholehearted support. Everyone recognizes his qualifications. Perhaps because he is temperamentally reserved it might be a little difficult for him to establish rapport with the local community. Still, the minister has understood the inconveniences caused by the fact that transport by ambulance was limited

to daylight hours only. Those restrictions have been cancelled so that ambulances are now on duty 24 hours a day.

The hon. member mentioned the case of Mrs. Cheechoos: the reports we have on hand state that the fact that transportation was delayed did not cause death.

It must also be remembered that there is no discrimination towards the Indians, since a large number of them, roughly 50 per cent, work for the hospital. We hope to follow closely the administration of those hospitals so that the Indian population will not suffer from delays. I wish to point out that recently an additional doctor was added to the staff in the person of Dr. Loftus.

Mr. Speaker: Order. I am sorry but I must interrupt the Parliamentary Secretary.

[*English*]

The motion to adjourn the house is deemed to have been adopted.

Pursuant to a special order, the house will resume its sittings on Wednesday afternoon at two o'clock.

Motion agreed to and the house adjourned at 10.21 p.m.

HOUSE OF COMMONS

Wednesday, January 29, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

PROCEDURE AND ORGANIZATION—CONCURRENCE IN THIRD REPORT OF SPECIAL COMMITTEE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I have the honour to present the third report of the special committee, that is to say, of the Striking Committee, to constitute the members of the Standing Committee on Procedure and Organization, with copies in English and French. By leave I propose to move the adoption of the report later this day.

[*Later:*]

Mr. Macdonald (Rosedale): Mr. Speaker, by leave I move, seconded by Mr. Davis, that the third report of the Special Committee presented this day be now concurred in.

Mr. Knowles (Winnipeg North Centre): Isn't that the Striking Committee?

Mr. Macdonald (Rosedale): Yes.

Motion agreed to.

AGRICULTURE

Second and third reports of the Standing Committee on Agriculture—Mr. Beer.

PUBLIC ACCOUNTS

First report of the Standing Committee on Public Accounts—Mr. Hales.

[*Translation*]

TRANSPORT AND COMMUNICATIONS

Fourth report of standing committee on transport and communications, in French and English—Mr. Trudel.

[*Note: For text of above report, see today's Votes and Proceedings.*]

[*English*]

PROCEDURE

MOTION TO EXTEND POWERS OF STANDING COMMITTEE ON PROCEDURE AND ORGANIZATION

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, the house will recall that on December 20 last, at the time we adopted the rule changes, it was proposed that the Standing Committee on Procedure and Organization should be given further powers to review certain matters with relation to the changes in the rules. If the house is agreeable I would like to move the following motion:

That the Standing Committee on Procedure and Organization be instructed, and hereby is instructed, to review the operation of the house under its present standing orders, and that, without restricting the generality of the foregoing, the committee be, and hereby is instructed, to give special attention to (1) the way the several standing committees study the estimates, (2) the means by which the position of the chairmen of the standing committees can be made somewhat more comparable to that of the Chairman of the Committees of the whole house, (3) the matter of ministerial attendance at the meetings of the standing committees, and (4) the means of meeting the need to make available to the standing committees stronger and more extensive support facilities.

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

• (2:10 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the President of the Privy Council (Mr. Macdonald) is quite correct in saying that this motion has been agreed to by representatives of the parties. One matter, however, has arisen since the motion was drafted. I wonder whether I could put it to the President of the Privy Council in the form of a question. Does he regard this motion as including authority for the committee to study the question of having the minutes of proceedings and evidence of the various standing committees produced a little faster than is now the case, in order to expedite the work of the committees?

Mr. Macdonald (Rosedale): Yes; we would regard that as being included under the fourth section of the motion.

Motion agreed to.

[*Translation*]

OFFICIAL LANGUAGES

TABLING OF REPORT RESPECTING COMMISSIONAIRES

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I should like to table a report concerning the security agents in some of our

national museums, which report constitutes a reply to the numerous questions put to me in the house in the last few days.

[*English*]

EXTERNAL AFFAIRS

IRAQ—PROTEST FOLLOWING EXECUTIONS OF PERSONS OF JEWISH FAITH

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am certain all members of the house have been shocked by the recent events in Iraq. The Canadian government, and I know many Canadians, are deeply disturbed by reports that 14 Iraqi nationals, nine of them of the Jewish faith, have been publicly executed on charges of espionage. As the Secretary General of the United Nations has pointed out, mass trials and executions are always to be deplored. They are, however, particularly abhorrent and dangerous when they inflame passions and stir up blind hatred. The Canadian government associates itself fully with the statement made by the Secretary General and with the action he has taken. What must be of particular concern to all of us at this time is the report that the Iraqi government is contemplating a further mass trial of 35 persons, of whom 13 are said to be of the Jewish faith, on similar charges. I hope this is not true. In addition to the basic humanitarian considerations, the Canadian government is profoundly concerned by the effects these events may have on the search for peace in the Middle East. Actions of this kind can only retard and obstruct the achievement of a just settlement in the Middle East. Despite the understandable dismay these events have caused in Israel, I would ask the government of Israel to refrain from retaliatory measures.

The round of bloodshed, violence, reprisal and renewed hostility in the area has gone on for too long and must be broken. It will only be broken by a peaceful and accepted settlement of the Arab-Israeli dispute. The Canadian government strongly urges the great powers, which have a special responsibility under the United Nations charter, to ensure the maintenance of peace, to engage fully in the process of conciliation and actively to support the efforts of the Secretary General's special representative, Ambassador Gunnar Jarring, to bring about a just and lasting peace. The attainment of a settlement rests ultimately with the parties themselves, but the assistance of the great powers may be essential if the present deadlock is to be broken.

The views of the Canadian government are being brought to the attention of the Iraqi government through the Canadian Ambassador accredited to Iraq.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, of course, like the minister and like the Secretary General of the United Nations we deplore the brutal killings in Iraq. The world hardly needs another reminder of the dangerous situation in the Middle East, and the urgency of a solution.

The recent proposals by the Union of Soviet Socialist Republics deserves careful and sympathetic study by the United States, and of course other countries of the world, for unless the super powers of the world—to use an ugly phrase—can agree on a solution and guarantee peace in that part of the world, then no lasting peace is possible.

If it is not presumptuous of me, I should like to compliment the new President of the United States who, in a public statement he made a day or two ago, took what I felt to be a very sensible, calm and open-minded attitude toward the Russian proposal for a Middle East settlement. In the meantime we agonize with our Israeli brethren, and are touched by the further evidence of man's brutality to man; brutality, of course, of which Jews have borne far too great a share in man's history.

Mr. David Lewis (York South): Mr. Speaker, of course we join with the minister and the Secretary General of the United Nations in deploring the mass trials and executions in Iraq. I want to congratulate the minister for having quickly expressed his protest against these trials and executions. Despite the fact that, as hon. members know, I myself am a Jew, I also want to support the hon. minister's statement urging the government of Israel not to retaliate in this case, as it has done in other cases.

It seems to me that the primary need in the Middle East now, as has been the case for many years, is a search for peace. Attacks and retaliation, even though the retaliation may be justified, cannot forward the cause of peace in that area. In speaking on this subject I cannot help but feel despair at the fact that the situation in the Middle East would not be nearly as dangerous for the peoples there, and for the peace of the world, were it not for the deliberate big power action of rearming, particularly the Arab states in that area since the June war, which has made them feel that they can again act in such a way as to wipe out the state of Israel from the Middle East. It is surely this rearmament of these

states in the Middle East that has given encouragement for attacks and counterattacks, and encouragement to refuse to sit down with the state of Israel to discuss the possibility of peace. Surely this is making the job of mediating in this situation almost impossible.

I think that the members of this parliament, and every other parliament of middle sized or small countries throughout the free world, ought to protest in the most vigorous fashion against the deliberate, divisive and dangerous policy of the super powers in the Middle East to the detriment of the future of the peoples there, and of peace throughout the world.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the news reaching us from Baghdad is spreading confusion and great concern not only in Canada but throughout the world. We see the frailty of world peace and how heavily the threat of a nuclear war weighs upon the world.

Mr. Speaker, as long as violence is the main weapon used to build peace, to guarantee the security and freedom of individuals and peoples, it is nothing but illusion to think that peace can some day become a reality.

We, of the Ralliement Créditiste, deplore such executions that beget hatred and stir limitless currents of violence.

According to the latest news, 35 other prisoners, 13 of which are Jews, will be brought to trial accused of spying and sabotage. In other words, this is only the start of the ravages.

Mr. Speaker, I think that a peace settlement worked out through the United Nations will only be possible and durable inasmuch as the big powers will stop putting their own interests foremost and will be more concerned about the precariousness of world peace.

I would urge the Secretary of State for External Affairs to support wholeheartedly the appeal made by U Thant, secretary general of the United Nations, who asked the big powers to co-operate in order to find a quick solution in the Middle East. We hope that such a solution will settle efficiently the problem of peace in the Middle East which, as the Secretary of State for External Affairs put it, has been suffering for too long, thereby indicating that the present situation is in fact a cold war rather than a true state of peace.

Housing Task Force Report

• (2:20 p.m.)

[*English*]

HOUSING

TABLING OF REPORT OF TASK FORCE ON HOUSING AND URBAN DEVELOPMENT

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I should like to table two copies in English and two copies in French of the report of the task force on housing and urban development.

Some hon. Members: Hear, hear.

An hon. Member: We have read it in *Time*.

Mr. Hellyer: Yes, it is in time, before the end of January, as I promised you months ago it would be.

Mr. Bell: Just in *Time*.

Mr. Hellyer: This report culminates the work of a task force appointed by the government last August and which since that date has travelled more than 25,000 miles to visit 27 centres across the country. As well as holding formal hearings in each of these centres, the task force made on-site tours of various housing projects and sponsored a series of public meetings to discuss housing and urban problems in a more informal setting with Canadians in general.

In tabling the report I would like to express the appreciation both of the government and of myself to the six distinguished Canadians who participated with me in this inquiry. A word of thanks is due, too, to the many organizations and individuals across the country who took the time to give the task force their views and recommendations on these important subjects.

While this inquiry was carried out within a relatively short period of time, I believe it does represent the most comprehensive review of housing and urban problems undertaken in Canada since the Curtis inquiry almost 25 years ago. As such, I am sure this report, and the work which preceded it, will contribute to greater public discussion and understanding of the many issues which face our country in this area. As minister responsible for housing, I intend very shortly to place before the government recommendations on some of the matters arising out of the report on which I believe urgent action is required.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, we are glad to see that the Minister of Transport is recovering from his cold. Most of us know how he has been feeling. The minister's career is an illustration of

Murphy's law: If something can go wrong, it will. The minister or one of his staff obviously supplied *Time* magazine with an advance copy of the report, presumably for publication on the anticipated day of release. Unfortunately for the rights and privileges of parliament, his cold could not stop the presses of *Time* magazine. Unfortunately, also, for the members of the press gallery, who do not like to see ministers giving pet privileges, the leak to *Time* was a "Luce" practice.

The chief failure of the report, a failure which may undo much of the minister's hard work, arises from its attitude toward the provinces, and provincial involvement. The task force, I suggest, would have been better informed, and its report would have been better received, if the studies had involved more provincial consultation and if the task force had better reflected all three levels of government.

One of the main recommendations calls for direct federal-municipal dealings. There are no references to provincial housing corporations although these were, after all, established to deal with problems which may be unique to their provinces and municipalities.

The second area of weakness concerned the attitude toward interest rates. In this respect the report is very weak indeed.

In the suggestions there is more hope than realism. Under no circumstances should the government allow the ceiling to be removed from interest rates for housing until there is an adequate supply of money available, so that there can be a firm assurance that rates will drop—not "may be expected to drop", but will drop.

We have been stung too often in the House of Commons on the matter of interest rates. So far the government has shown no indication to do its part to restore the economy to the point where interest rates may be held at an acceptable level, other than paying a minimum amount of lip service.

The third area of weakness is the failure to come up with a better program of housing for rural Canada.

Recommendation No. 30 is that C.M.H.C. should exercise particular care to ensure that rural areas have adequate mortgage funds. This is simply a pious declaration. What is needed is a whole new approach by C.M.H.C. to the regulations it imposes for construction in rural Canada.

Members of my party are pleased with the suggestions for the land bank assembly, the elimination of the 11 per cent sales tax on building materials, the proposed setting up of a department of housing and urban affairs, and with the suggested use of existing housing stock for public housing purposes. These are good Conservative policies which we have consistently advocated. I suppose that it is only human if I point out to the Prime Minister, (Mr. Trudeau), to the Minister of Finance (Mr. Benson), and to other members of the Liberal party that they have attacked us over and over again, charging us with irresponsibility in some of these proposals. Now that they have found respectability on the government side in the Minister of Transport (Mr. Hellyer), I hope that members there will support their minister. We certainly will in these four areas.

I am pleased with the suggestion in the report that there will be worth-while measures to bring housing within the reach of the lower income groups, and I am also pleased with the special program for Indians, Eskimos and Métis people. Our one man task force, Mr. Heward Grafftey, has pointed out graphically to members of my party that there are shacks in northern Canada housing as many as 13 Indians. The conscience of Canadians will surely support the minister in an all-out attack on this kind of injustice.

I would like to note briefly in passing that the task force was apparently never told that land developers do in fact pay income tax on their operations. The task force recommendations in this area are therefore suspect for creating a bogey that in large measure does not exist. It is however a popular bogey.

Finally, I should like to make two suggestions. The first is that the Minister of Finance (Mr. Benson) change his position of not presenting a budget this spring and bring one in immediately, or at least bring in a measure to eliminate the 11 per cent sales tax on building materials. I make a special plea to both the Prime Minister and the Minister of Finance in this regard.

Second, I would suggest that the subject matter of the report be immediately sent to a committee of the house for study so that this house will be in a position to act at quick speed when the minister is ready with his legislation. In that respect we wish him well, and we hope he will be able to get it before us soon.

Mr. John Gilbert (Broadview): Mr. Speaker, the report of the task force on housing and urban development constitutes a colossal fraud on the Canadian public.

Some hon. Members: Oh, oh.

Mr. Gilbert: It took an outrageous amount of money, time and effort to inform the Canadian public of something that they already knew, namely that we have a housing crisis in Canada and, second, that the federal government should accept a leadership role in solving this crisis. The Prime Minister scored a big zero at the Commonwealth Conference—

Some hon. Members: Oh, oh.

Mr. Gilbert: —and the Minister of Transport (Mr. Hellyer) scored a double zero in this report, with his recommendations.

• (2:30 p.m.)

The solutions to the crisis offered by the government are pitiful and pathetic. They expand the old fallacies of the past which produced the housing crisis. As to the urgent problem of public housing and urban renewal, they have replaced them by a research department. No concern has been shown for persons whose incomes range between $4,000 and $7,500, who are obliged to pay high prices for homes, and face high interest rates. Little thought has been given to people in this situation, and there has been no consideration of a subsidy on the interest rates charged to them.

No real housing target has been set—for example, a target figure of 250,000 homes, to make up for the shortage brought about by poor building performance in past years. There is to be no increase in construction sufficient to bring down the price of homes. Certainly no consideration has been given to providing a proper "mix" of the types of homes needed.

One feels the government is condoning present exhorbitant interest rates and taking no action, either with respect to the financial institutions or with respect to their own policy, which would have the effect of bringing down these excessive rates. It strikes me as strange that we in Canada can build a sufficient number of cars, television sets and radios to meet the needs of our population, while we cannot build sufficient homes to give people the basic social right of decent housing. This report, in our humble submission, constitutes a shameful approach to the housing crisis in Canada.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I am happy to express my views on this reform project of the National Housing Act. I had my first look at the report this morning and I want to thank those who made it available to me.

At last, we are dealing with a rather important program. Construction has fallen, which has resulted in a housing crisis, and the people are very much concerned. On the other hand, from a moral point of view, I am convinced that the Commission will really have reached its goal, because I feel that royal commissions are probably the most efficient way to lull the people today.

During the last few years, everything has been done to bleed the Canadian people white through higher income tax deducted at the source, higher industrial income taxes, higher excise taxes, higher sales taxes, both from the wholesaler and the retailer. It will be recalled also that to ram down our throats the famous 11 per cent tax on building materials, the whole thing had to be done in three successive stages.

The high cost of money has been added to all those taxes which contributed to increasing the cost of living. What else could we expect since, on March 21, 1967, the Canadian parliament passed Bill No. C-222, that, in addition to removing the 6 per cent ceiling on bank loans, enabled them to make ten-year loans at any rate they saw fit.

Mr. Speaker, I do not understand why the Progressive Conservative party is complaining about that increase in interest rates since I noted—and I have here a photograph in support of my statement—that on the day Bill No. C-222 was passed 70 Conservative M.P.'s were absent. They preferred to stay away since banks contribute to the elections funds of the two old political parties.

In any event, in view of the high rate of interest, the high cost of capital, and the increase in all kinds of taxes, our economy has reached its saturation point, so that everything is now at a standstill.

Agriculture, trade, commerce and construction are in a slump and the present government, with its well-organized program, keeps pulling in the same direction. I am not mistaken, Mr. Speaker, since the government still has its thinkers and advisers, and the goal will ultimately be reached, I imagine.

Strangely enough, though, all the problems created by the government become practically insoluble. Then the government hires a group of understanding commissioners who tackle those problems and travel across the country to study them.

Mr. Speaker, without any reflection on your integrity, since you were chosen as an independent member, let me rate among the

best Canadian actors the liberal members in office at the present time.

Some hon. Members: Hear, hear.

To give assistance to England or the West Indies, we need make no inquiry. We offer credit at the rate of ¾ of 1 per cent for a period of 50 years, as well as grants, and, as the Minister of Industry, Trade and Commerce (Mr. Pepin) would say, in the case of foreigners there is no problem, but as far as the Canadian people are concerned, we need a task force, to study the problems that have been created.

Mr. Speaker, I hope the members of the Commission had a good time. As for the chairman, I am convinced that following the program proposed to us, those who have contributed to his election funds will soon get their money back. In any event, while the commissioners were considering the housing problem, the Central Mortgage and Housing Corporation, which is a federal government agency, allowed the rate of interest to climb to 9⅜ per cent.

Mr. Speaker, if I wished to borrow $30,000 at 9⅜ per cent for 30 years, it would cost me about $45,000 in interest. It seems strange to me that the government should find a small 11 per cent tax on housing materials satisfactory in order to finance social allowances and all kinds of benefits. Should a Canadian citizen build himself a $23,000 home, the government would get only about $2,000 or $2,500 while, on the other hand, it takes upon itself to draw off from the taxpayers, through the Central Mortgage and Housing Corporation, $45,000 in interest charges for the same house.

Mr. Speaker, one must recognize that the Central Mortgage and Housing Corporation has been of great assistance but one must also admit that it has become a collection agency. In fact, in order to borrow at a rate of interest of 9 to 10 per cent, one must earn at least $9,000 per year. Now, as shown by experience and surveys, 90 per cent of the Canadian people earn less than $9,000 per year, which means that the people on welfare, the unemployed and low income citizens will not be able to benefit from the present legislation.

The agency came to the conclusion, Mr. Speaker, that it could still make loans to about 10 per cent of the population, the portion it still thinks capable of paying back the money lent. And in a few years from now, we shall perhaps realize that these people were left to their fate.

[Mr. Godin.]

I conclude my remarks, Mr. Speaker, by drawing to the attention of the Prime Minister that if he really wants to help the Canadian people, he just has to resort to the methods used in the case of underdeveloped countries. Since the 11 per cent tax is always deducted from the price of the building material that is sold abroad, I think that we should do away with that 11 per cent tax and have it replaced by a 10 per cent rebate when the material is sold in our country.

I would propose, secondly, that the sum be put at the disposal of the Central Mortgage and Housing Corporation at the same rates as those which are allowed to foreign countries.

The group suggests also that money be drawn from the Canada Pension Fund. Mr. Speaker, I think that these funds should be left to the provinces, who really need them to develop their natural resources.

In short, we are not asking for preferential rates. We simply want the same treatment as is extended to foreign countries. Therefore, let us use new credit, let us make use of the Bank of Canada.

I have read a newspaper article—

Mr. Speaker: Order. I must interrupt the hon. member in order to remind him of the provisions of our Standing Orders to the effect that in the House the comments of an honorable member following the statement of a minister, should be brief.

I appreciate the significance of the subject under consideration, however, I remind the hon. member that, a while ago, he said that he was concluding his remarks.

Mr. Godin: I am concluding my remarks, Mr. Speaker. This is because I was talking about social credit. It is a matter of monetary reform and I know that the Prime Minister wants to go further now.

The Prime Minister stated in England, and I quote:

> —that he favoured true communism as the ideal solution. His definition of true communism is that everyone should give to others the best of what he owns.

Mr. Speaker, I will not go that far. I would not ask the Prime Minister to give away his own millions to the Canadian people. But I ask him and his colleagues in the cabinet to put the people's bank at the service of the people.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*English*]

PETER AYKROYD—PAYMENTS BY CENTENNIAL COMMISSION

Question No. 719—**Mr. McIntosh:**

1. What payments have been made to Mr. Peter Aykroyd by the Centennial Commission in the last four years?
2. Is he presently in the government service?
3. If so, in what capacity is he employed?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Prime Minister's and Privy Council Offices and by the department of the Secretary of State as follows: 1. From 1964 to 1967 inclusive, the Centennial Commission made payments of $71,510.39 to Mr. Peter Aykroyd.

2. Yes.

3. Program Administrative Officer, level 8 (Privy Council Office.)

OFFICE SPACE OF CABINET MINISTERS

Question No. 768—**Mr. Schreyer:**

1. In the case of each of the Ministers of the federal Cabinet, what is the total area of office space provided for the Minister and all those Assistants attached directly to his office?
2. In each case, what is the lease price per square foot or construction and furnishing cost on a per square foot basis?

Hon. Arthur Laing (Minister of Public Works): 1. The total office space occupied by each Federal Cabinet Minister combined with that occupied by each Parliamentary Secretary, Executive Assistant, Special Assistant and Research Assistant attached to each Minister's office is detailed on the attached list. The figures do not reflect accommodation provided in the Parliamentary buildings.

2. Owing to the variation in ages of the various Crown-owned buildings providing ministerial accommodation, it is not possible to give figures in answer to this question, that will provide an accurate basis for information or comparison.

SPACE OCCUPIED BY FEDERAL CABINET MINISTERS TOGETHER WITH THEIR PARLIAMENTARY SECRETARIES, EXECUTIVE ASSISTANTS, SPECIAL ASSISTANTS AND RESEARCH ASSISTANTS

Department	Minister	No. of square feet in departmental offices
Transport	The Hon. Paul Hellyer	1,490
External Affairs	The Hon. Mitchell Sharp	Offices in centre and East Blocks only
Solicitor General	The Hon. George McIlraith	1,970
Public Works	The Hon. Arthur Laing	1,755
Manpower and Immigration	The Hon. Allan MacEachan	1,385
Treasury Board (President)	The Hon. Charles Drury	1,417
Finance and Receiver General	The Hon. Edgar Benson	1,865
National Defence	The Hon. Leo Cadieux	2,014
Industry, Trade and Commerce	The Hon. Jean-Luc Pepin	1,665
Forestry & Rural Development	The Hon. Jean Marchand	1,337
Energy, Mines and Resources	The Hon. J. J. Greene	1,350
National Revenue	The Hon. Jean-Pierre Cote	1,412
Justice and Attorney General	The Hon. John Turner	1,449
Indian Affairs and Northern Development	The Hon. Jean Chretien	939
Labour	The Hon. Bryce Mackasey	1,611
Privy Council (President)	The Hon. Donald Macdonald	Offices in parliamentary buildings only
National Health and Welfare	The Hon. John Munro	1,750
Secretary of State	The Hon. Gerard Pelletier	1,223

Questions

Department	Minister	No. of square feet in departmental offices
Fisheries	The Hon. Jack Davis	810
Agriculture	The Hon. H. A. Olson	1,550
Veterans Affairs	The Hon. Jean-Eudes Dube	749
Consumer & Corporate Affairs	The Hon. Ronald Basford	1,719
Defence Production	The Hon. Donald Jamieson	1,789
Post Office	The Hon. Eric Kierans	1,275
Communications	The Hon. Eric Kierans	885
Without Portfolio	The Hon. Robert Andras	409
Without Portfolio	The Hon. James Richardson	Offices in centre block
Without Portfolio	The Hon. Otto Lang	500

LABRADOR—SUBMISSION OF LITIGATION TO SUPREME COURT

Question No. 979—**Mr. Fortin:**

1. Is the government considering the possibility of submitting to the Supreme Court of Canada the litigation between the Province of Quebec and the Province of Newfoundland concerning Labrador?

2. Is the government considering the possibility of allowing the Provinces of Quebec and Newfoundland to submit the matter of Labrador to the International Court of Justice in The Hague?

3. Has the government received any correspondence, briefs or other documents relating to the matter of Labrador?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the office of the Prime Minister and the Department of Justice as follows: 1. The Government is not aware of any such litigation.

2. By Article 34(1) of the Statute of the International Court of Justice, only States may be parties in cases before the Court.

3. Yes, but none since 1964.

CANADIAN NATIONAL RAILWAYS FINANCIAL STRUCTURE

Question No. 981—**Mr. Fortin:**

Have consultations taken place between the Canadian National Railway and the government with a view to revising the financial structure of the CNR and, if so, what are the results of such consultations?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: Yes; the matter is still under consideration.

See also replies to Questions Nos. 99 and 980.

[Mr. Laing (Vancouver South).]

RICHMOND, QUE.—UNEMPLOYMENT INSURANCE CONTRIBUTIONS

Question No. 1,065—**Mr. Beaudoin:**

1. What was the total amount of contributions to the Unemployment Insurance Fund paid by citizens of the federal constituency of Richmond in 1965, 1966, 1967 and 1968?

2. What portion was paid by employers?

3. What portion was paid by the workers?

4. What portion was paid by the government?

5. What amount has the Unemployment Insurance Fund paid in benefits in 1965, 1966, 1967 and 1968 (a) in Canada (b) in each province (c) for the federal constituency of Richmond?

6. To how many claimants in each of the provinces and in the federal constituency of Richmond were benefits paid?

[*Translation*]

Hon. Bryce S. Mackasey (Minister of Labour): The Unemployment Insurance Commission advises: Items 1, 2, 3 and 4: There is no information available which shows a breakdown of contributions to the Unemployment Insurance Fund by federal constituency. In Richmond, as elsewhere, employers and employees contribute an equal amount, and the government contributes an amount equal to one-fifth of the combined employer-employee contributions.

5. The attached table shows the amounts paid in benefits on a national basis and by provinces for the fiscal years 1964-65, 1965-66, 1966-67 and 1967-68. No information is available concerning the amount of benefit paid to residents of the constituency of Richmond.

6. No information is available concerning the number of individuals who receive payments by provinces or in the federal constituency of Richmond.

AMOUNTS CONTRIBUTED

Financial Year	Total	Nfld.	P.E.I.	N.S.	N.B.	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	B.C.
	$	$	$	$	$	$	$	$	$	$	$
1964-65	335,030,187	18,034,340	3,077,707	17,818,566	17,458,724	107,053,534	94,274,111	14,557,887	9,879,562	17,665,229	35,210,527
1965-66	297,813,249	17,437,474	2,974,627	16,149,755	15,850,086	97,763,610	81,861,170	12,796,197	8,814,260	13,587,711	30,578,359
1966-67	307,006,732	17,880,751	2,956,271	16,922,160	16,327,512	96,193,260	89,162,488	10,725,739	8,576,826	11,771,716	36,490,009
1967-68	388,581,791	19,812,720	3,425,191	18,703,896	18,754,360	126,193,093	118,670,523	13,452,882	10,149,924	14,457,182	44,962,020

Questions

[*English*]

*RECIPIENTS OF ORDER OF CANADA

Question No. 1,100—**Mr. Coates:**

1. How many Canadians have been given the honour of being designated as (a) Companion of, and (b) Service Medal recipient of, the Order of Canada?

2. Of these, how many in each of these categories had been, or were, civil servants at the time of appointment?

3. Have any former Prime Ministers been granted Companions of the Order and, if so, which former Prime Ministers?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am informed by the Registrar of the Order of Canada that the answer to starred question No. 1,100 is as follows: 1. (a) There have been 76 Companions appointed to the Order of Canada to date, of whom seven are deceased; (b) There been 146 recipients of the Medal of Service, of whom four are deceased.

2. (a) There were 11 Companions in the employment of the Canadian government at the time of their appointment to the Order of Canada. This figure includes: Crown Corporations, 2; Expo, 2; National Defence, 1; States Visits, 1.

(b) There were 22 recipients of the Medal of Service in the employment of the Canadian government at the time of their appointment to the Order of Canada. This figure includes: Crown Corporations 1; Expo 8; States Visits 2.

3. Since only those persons who are no longer active in politics are eligible for appointment to the Order, only two former Prime Ministers have been made Companions —The Right Hon. Louis S. St. Laurent and the Right Hon. Lester B. Pearson.

PLACE RADIO CANADA CONSTRUCTION

Question No. 1,120—**Mr. Fortin:**

1. What are the reasons for the delay in commencing the construction of Place Radio Canada?

2. What is the work schedule for the construction of Place Radio Canada up until the completion of the work?

3. Do the contracts granted by the CBC for Place Radio Canada require the approval of (a) the Cabinet (b) the Treasury Board?

4. Was there any delay in obtaining approval and for what reasons?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The Corporation originally planned to call for tenders for Phase II (building construction) of Place Radio-Canada before completion in December, 1967, of Phase I (excavation and foundations). Phase II was deferred to allow for thorough review of the scope of the project. The closing date for tenders, originally August 30, 1968, was extended until October 1, 1968, at the request of the contractors who required additional time to complete their bids because of the complexity of the project.

2. Commencement of building construction mid-January, 1969. Completion building construction, July 1971. Start of operation, April, 1972. Completion of installation, October, 1972.

3. The contract for management/contractor services for construction of Phase II, excluding supply and installation of equipment, required and received approval of Treasury Board and Privy Council (Order in Council P.C. 1968-25/2278 dated December 17, 1968).

4. There was no undue delay in obtaining approval. The normal time was required for processing the request for authority, study by Treasury Board and final approval by Order in Council.

INDUSTRIAL DEVELOPMENT BANK TERMS OF REFERENCE

Question No. 1,171—**Mr. Saltsman:**

Is the Government of Canada considering the expansion of the terms of reference of the I.D.B., and the cancellation of the Department of Industry loan programs?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the departments of Finance and Industry, Trade and Commerce as follows: No.

INDUSTRIAL DEVELOPMENT BANK LOAN PROGRAMS

Question No. 1,172—**Mr. Saltsman:**

What are the terms and conditions of financing of the loan programs under the Industrial Development Bank?

Hon. E. J. Benson (Minister of Finance): Section 15(1) of the Industrial Development Bank Act states that the Bank may make a loan where credit or other financial resources would not otherwise be available on reasonable terms and conditions, and where the amount invested or to be invested in the industrial enterprise by persons other than the Bank, and the character of that investment,

are such as to afford the Bank reasonable protection.

The President of the IDB stated in his annual report for 1968 that as larger term loans appear to be more readily obtainable elsewhere than smaller loans, the IDB's rates of interest are graduated upwards with the size of the loan; this helps to screen out applicants who might be expected to have access to funds elsewhere on reasonable terms and conditions. Terms and conditions of loans vary from borrower to borrower depending on the circumstances.

AGREEMENTS WITH ST. PIERRE AND MIQUELON

Question No. 1,174—**Mr. Robinson:**

Does Canada have any direct agreements with the island group of St. Pierre and Miquelon in the fields of (a) trade and commerce (b) fishing industry (c) agriculture (d) defence?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No. The islands of St. Pierre-Miquelon are a part of the overseas territories of the French Republic and treaties concluded with respect to these islands would not be concluded direct with St. Pierre-Miquelon but with France.

*MILITARY PERSONNEL FROM FRANCE IN CANADA

Question No. 1,179—**Mr. Scott:**

1. Are there any military personnel from the Republic of France now instructing Canadian Forces?

2. For what purpose were they engaged?

3. How many are there at the present time?

4. Where are they located?

5. When were they engaged?

6. How long is their anticipated stay?

7. What remuneration do they receive and from whom do they receive it?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, the answer to this question is as follows: 1. Yes.

2. They were posted to Canada as part of an exchange officer program.

3. Two air force officers.

4. One is at the Canadian Forces Base, Moose Jaw, Saskatchewan, the other at the Air Navigational School, Winnipeg, Manitoba.

5. The officer at Moose Jaw came in February 1967, and the one at Winnipeg in August 1968.

6. Two years from date of arrival in Canada.

7. These officers receive military salaries from the French government.

PATRICK ASSELIN—EMPLOYMENT IN DEPARTMENT OF AGRICULTURE

Question No. 1,183—**Mr. Beaudoin:**

1. Is Mr. Patrick Asselin in the employ of the Minister or of the Department of Agriculture?

2. If so, what position does he hold?

3. What is his yearly and monthly salary?

4. What are his exact duties?

5. Are parts of his salary exempted from tax?

6. Are his expenses paid?

Hon. H. A. Olson (Minister of Agriculture): 1. Mr. Asselin is a member of the staff of the Minister of Agriculture.

2. Administrative assistant.

3. $7,529 yearly; $627.41 monthly.

4. Administrative duties, dealing with correspondence and policy matters with particular responsibility for liaison with producers and producer organizations in the province of Quebec; other related duties.

5. No.

6. Yes, when incurred on government business or on behalf of the Minister of Agriculture.

HISTORIC SITES AND MONUMENTS BOARD DIRECTOR

Question No. 1,184—**Mr. Moore:**

1. What is the name of the present Director of the Historic Sites and Monuments Board?

2. When was he appointed?

3. What was his position previous to this appointment?

4. What is his present salary?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The Historic Sites and Monuments Board of Canada does not have a director. However, the Chairman of the Board is Mr. Allan Turner, member of the board for the province of Saskatchewan.

2. First appointed to the board in 1964, he was named chairman in May 1968.

3. Mr. Turner was, and still is, Provincial Archivist for the province of Saskatchewan.

4. Neither the members of the board nor the chairman receive salaries for serving thereon. For each day spent on board business they receive a per diem allowance, presently set at $20, plus living and travelling expenses while on board business.

Questions

TRANSACTIONS UNDER GOVERNMENT ANNUITIES ACT

Question No. 1,197—**Mr. Caouette:**

1. When did the Government Annuities Act come into force officially?

2. What is the purpose of this Act?

3. How many annuities were in force on January 1, 1965, 1966, 1967 and 1968?

4. What was the maximum annuity which could be purchased in 1968?

5. Does the government intend to increase the maximum for an annuity?

Mr. Jim McNulty (Parliamentary Secretary to Minister of Labour): 1. September 1, 1908.

2. To promote habits of thrift and to encourage and aid Canadians to make provision for old age.

3.

Fiscal Year	Annuities Under Payment	Annuities that have not reached maturity		
		Individual	Group	Total
1965	93,342	90,340	205,332	389,014
1966	96,350	88,254	200,498	385,102
1967	99,305	84,766	188,248	372,319
1968	101,987	81,067	181,864	364,918

4. $1,200.00.

5. No.

Note: Contracts in force at March 31 are given rather than January 1 as statistics are maintained on a fiscal year basis.

SUFFIELD, ALTA.; CHEMICAL WARFARE TESTS

Question No. 1,209—**Mr. Lewis:**

1. Is the Canadian Government co-operating with United States and Britain in conducting secret chemical warfare tests at Suffield, Alberta?

2. If so, what does this co-operation consist of?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Yes.

2. Examination of many defensive aspects of chemical operations which are of common interest.

TARIFF ON ACRYLIC PLASTIC SHEETS

Question No. 1,213—**Mr. Lewis:**

Is the government now considering a tariff on Acrylic Plastic Sheets which is currently manufactured by only one United States owned company in Canada?

Hon. E. J. Benson (Minister of Finance): The Budget Resolutions proposing amendments to the Customs Tariff which were tabled in the House of Commons on October 22 included a provision for a 10 per cent British Preferential and Most-Favoured-Nation rate of duty on acrylic sheets (tariff item 93902-83) as recommended by the Tariff Board in its report on chemicals under Reference 120. Bill C-131 which implemented these resolutions was passed by Parliament. The 10 per cent duty on acrylic sheets came into effect on January 1 of this year.

[Mr. Chrétien.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

SOCIAL WORKERS EMPLOYED BY GOVERNMENT

Question No. 587—**Mr. Robinson:**

1. How many Social Workers are employed by the federal government (a) in each department (b) in each Province of Canada?

2. How many Social Workers employed are qualified as follows (a) Diploma in Social Work (b) Bachelor of Social Work (c) Master of Social Work (d) extension courses (e) on job training (f) other qualifications?

3. How many Social Workers are engaged in (a) medical social work (b) psychiatric social work (c) community organization?

4. How many Social Workers employed by the government are qualified as (a) case workers (b) group workers (c) community organization workers?

Return tabled.

GOVERNMENT AID TO HOSPITALS

Question No. 967—**Mr. Robinson:**

1. What is the present government policy on providing financial support to hospitals in Canada?

2. How much money has the federal government paid to provinces and/or municipalities for hospital (a) construction (b) facilities (c) research (d) teaching during the years 1960-1968 inclusive?

3. What, if any are the present financial commitments of the federal government for hospitals in Canada for (a) construction (b) facilities (c) research (d) teaching, and what are the names of each hospital and, where are they located?

4. Does the federal government provide any grants to university medical faculties for (a) construction (b) facilities (c) research (d) teaching and, if so, how much and to which universities were amounts paid for the years 1960-68 inclusive?

Return tabled.

RETURNS ON INVESTMENT FROM CROWN CORPORATIONS

Question No. 980—**Mr. Fortin:**

1. What was the annual return on investment over the last seven years for each of the proprietary Crown corporations?

2. What steps has each corporation taken, or will it take, to increase its return in cases where it was less than 7%?

Return tabled.

CANADIAN OIL INDUSTRY, INVESTMENT AND CONTROL

Question No. 1,002—**Mr. Harding:**

1. What was the total capital investment in the oil and gas industry in Canada, by province, for the years 1961 to 1967 inclusive?

2. What percentage of our total Canadian oil industry is (a) foreign-controlled (b) Canadian-controlled, as of the latest available date?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of Motion No. 66 for production of papers is acceptable to the government.

Mr. Speaker, would you kindly call notice of motion No. 62?

I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

NORTHUMBERLAND STRAIT CROSSING—ENGINEERING FEASIBILITY

Motion No. 62—**Mr. MacDonald (Egmont):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all surveys, reports and enquiries respecting costs and benefits and engineering feasibility of the Northumberland Strait Crossing project received by the Government of Canada since September 1, 1967.

Inquiries of the Ministry

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, previously the hon. member had agreed to drop this motion if the Stanford Research Institute report was tabled. This report and its supplements will be tabled with the return for the Motion for Production of Papers No. 61. Therefore I would request that the hon. member for Egmont withdraw his motion.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the conditions and reservations referred to by the minister, or is it to be dropped? Agreed?

Motion withdrawn and order discharged.

ORAL QUESTION PERIOD

HOUSING

REQUEST FOR LEGISLATION TO REDUCE OR ELIMINATE BUILDING MATERIALS TAX

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance a question. In view of the recommendations contained in the report of the task force I should like to ask the minister whether it is his intention to bring legislation before the house reducing or eliminating the 11 per cent sales tax on building materials used in housing construction?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, anything that the Minister of Transport proposes I will study with care. I have no present intention to do what the hon. member is suggesting.

Mr. Stanfield: A supplementary question. In view of the fact that the recommendations of the task force included some relating to provincial taxation, has the minister any intention of discussing provincial taxation on building materials with the appropriate provincial authorities?

Mr. Benson: Mr. Speaker, I am sure that this report will be studied very carefully by the government.

SOCIAL SECURITY

REQUEST THAT WELFARE POLICIES BE REFERRED TO SPECIAL COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare and is based on the release made today by the Canadian Welfare Council of its document

entitled "Social Policies for Canada". In view of the fact that some of the best social legislation that we have ever had came out of a parliamentary committee—and I refer to the old age security committee of 1950—would the government consider referring the whole question of its review of social welfare policies, old age pensions and other matters to a special committee so that we might all become involved in any proposals in regard to changes in this field?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I think it would be premature at this time to give any indication that this would be the course of government action, but I would be pleased to take the suggestion of the hon. member under consideration later on.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. May I ask the minister whether in considering this matter the government will take note not only of the document released today by the Canadian Welfare Council but also the new proposals regarding old age security which have been put forth in Britain?

Mr. Munro: Yes, Mr. Speaker.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to ask a supplementary question arising out of the report. Will the government undertake the implementation of the recommendation of the report that a study be made of appropriate methods to implement a guaranteed income?

Mr. Munro: I believe this concept, along with all other ideas and concepts in the whole social welfare field are under review and I believe that has been indicated to the house previously.

[*Translation*]

SPORTS

ASSISTANCE TO NATIONAL SKI TEAM

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare or to his parliamentary secretary.

Last week I asked a question about a federal grant to the national ski team. Would either one be in a position to answer this question today?

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the Fitness and Amateur Sports Council has approved, and I have approved, the grant of some $198,000 from their fund for the Ski Association and I am informed that this represents approximately 45 per cent of their budget.

HOUSING

REQUEST FOR ASSURANCE RESPECTING URBAN RENEWAL PROGRAM

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the Minister of Transport, Mr. Speaker. In view of the growing concern of several municipalities which have commenced urban renewal projects because of the possibility of cut-backs in the federal commitment, can the minister assure this house, the nation and particularly the municipalities that there will be no cut-backs so far as those urban renewal programs which have already been started?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I cannot give blanket assurance at this stage, but I can assure my hon. friend this is one of the matters which I will refer to the government for consideration and decision at an early date. There are inevitably certain projects which must continue. I think if one were looking at the priorities involved he might conclude a certain postponement would be in the national interest until we can provide adequate housing for all our Canadian citizens. I think the best thing to do is take a look at the subject immediately, and then be in a position to reply definitively in each existing case.

Mr. Alexander: A supplementary question, Mr. Speaker. Is it the intention of the minister to enter into a dialogue with either provincial or municipal authorities before reaching any definite conclusion in this regard?

Mr. Hellyer: There certainly will be adequate opportunity for discussion. I think informal talks will be held with provincial ministers some time later. I know the Canadian Association of Mayors and Reeves are studying the report very carefully, and will be putting forward some representations with respect to it. Naturally all representations received will be given thoughtful consideration.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question to the Minister of Transport. In view of the priorities he mentioned, can he tell the house when he intends to make the announcement of a proposed $36 million housing project in Corner Brook, Newfoundland?

ROYAL CANADIAN MINT

BRITISH COLUMBIA—REQUEST FOR ISSUE OF COMMEMORATIVE COIN

Mr. Harold E. Winch (Vancouver East): My question is to the Minister of Finance, and I know Your Honour will immediately recognize my reason for seeking co-operation. Could the hon. minister advise the house in general, and in particular the members from British Columbia, when a decision, favourable we hope, can be expected on the issuance of a commemorative coin to mark the 100th anniversary of the addition of British Columbia to our great Confederation?

Mr. Speaker: I am not sure whether this is a question which can be asked verbally. It seems the type of question that normally should be put on the order paper.

Mr. Winch: I ask the question because of the time involved. The Numismatic Society advises me an early decision is required, if it is going into effect.

Mr. Speaker: I suggest an early decision could be made in writing.

[*Translation*]

EDUCATION

RECOMMENDATIONS RESPECTING REPORT OF COMMITTEE

Mr. Gaetan-J. Serré (Nickel Belt): Mr. Speaker, I would like to put a question to the Secretary of State.

Could he tell the house if he has examined the recommendations of the Franco-Ontarian Committee on cultural life which were presented to the Ontario Minister of Education last Monday?

If so, does he intend to answer favourably their request that the C.B.C. establish French radio (AM and FM) and television stations wherever there is a sufficient number of French-speaking people in Ontario?

Mr. Speaker, such a service is necessary, not only for the French-speaking people of Ontario but also for the increasing number of English-speaking people who wish to get a better knowledge of the French culture.

Some hon. Members: Hear, hear.

Mr. Speaker: Order.

[*English*]

POST OFFICE DEPARTMENT

EFFECT OF INCREASED RATES ON TRADE PAPERS PUBLICATION

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the Parliamentary Secretary to the Postmaster General. Having in mind the publication today of the *Survey* which states that a large number of trade union papers are discontinuing publication, due to the very heavy postal rate increase, could consideration be given to a review of the situation in which those non-profit papers find themselves?

Mr. Speaker: The first part of the question may be placed on the order paper. However if there is immediate urgency the matter might be discussed at the time of adjournment.

Mr. Mather: Ten o'clock.

AIR TRANSPORT

MERGER BETWEEN AIR CANADA AND CANADIAN PACIFIC AIRLINES

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of Transport. Is the government planning a merger between Air Canada and Canadian Pacific Airlines? I ask this question, Mr. Speaker, in view of the recent suggestions by Air Canada advocating such a proposal.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the government is studying the whole question related to air policy, and the future corporate structure of Air Canada, in a general sense. I think I indicated some weeks or months ago in answer to a question that this suggestion which has been made is not a matter of urgent study. It is not the subject of a specific task force or anything of that nature. Nevertheless I think one has to look in a methodical way at the future of Air Canada and its corporate structure, financing and all related aspects, and then in due course perhaps to make some conclusions or recommendations which could be considered by the government. The chairman of Air Canada was stating a personal view I understand; he was not flying a kite for the government. This is one point of view. If the President of Canadian Pacific Airlines had been speaking he might have put forth a different view.

Mr. Nesbitt: A supplementary question. Can the minister tell us if any directors of

Canadian Pacific Airlines, either present or past, have been consulted by himself or the government in connection with this merger possibility?

Mr. Hellyer: Mr. Speaker, I have had informal discussions with numerous people as to what merit if any they think the idea might have. I am sure the Minister without Portfolio has as well. These have been informal conversations of the type I might have had with my hon. friend or any other hon. member on the same subject.

[*Later:*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to ask the Minister of Transport a question regarding this task force, the chairman of which is the Minister without Portfolio (Mr. Richardson) from Manitoba. In view of the fact that, during the election campaign this minister came out in favour of the amalgamation of Canadian Pacific Airlines and Air Canada, does the minister think that hon. gentleman will be able to look at this problem objectively—free from prejudice?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think the Minister without Portfolio (Mr. Richardson) is not only one of the most thorough but one of the most objective people I have met in many years.

Some hon. Members: Hear, hear.

Mr. Hellyer: Also, if I may so, he is one of the most selfless, public spirited citizens I know of in Canadian public life.

Some hon. Members: Hear, hear.

Mr. Baldwin: No commercials.

Mr. Hellyer: I am sure that when he approaches this problem he will approach it with only the interests of the Canadian people in mind.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Now that the minister has placed a halo about the Minister without Portfolio, will he answer the question? What possible objectivity can there be in one who took such a strong stand? That is what I want to know.

Mr. Speaker: Order, please. I suspect the right hon. gentleman would agree with me that this question as asked is argumentative.

Mr. Diefenbaker: Not argumentative, factual.

[Mr. Nesbitt.]

AIRPORTS

EXPANSION OF ADJACENT HOUSING DEVELOPMENTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Transport. During the Minister's review of air policy, will he be taking into consideration the question of the expansion of housing developments adjacent to our airports, such as that which necessitated the change in policy for Toronto, and which may cause a change in location of the air terminal?

Hon. Paul Hellyer (Minister of Transport): I can assure my hon. friend that, as a result of the experience in Toronto and Montreal, I have asked for a full report as to what the consequences of this kind of development might be in the future in respect to our other airports in the other cities. Now is the time to look at it, before the encroachment has reached a stage where it, too, would have to be moved or limited, as far as that expansion is concerned.

We are trying to learn from our experience and project into the future as best we can the information now available to us, so that, where we can, we will protect existing facilities through co-operation with the provinces, or through some other method. We want to see that this is done before it is too late.

[*Translation*]

HOUSING

TECHNOLOGICAL IMPROVEMENTS IN CONSTRUCTION

Mr. Henri Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Minister of Transport.

Since the minister has tabled his report, could he now tell the house whether he intends to suggest technological improvements in the field of public housing, in order to meet the urgent needs of this industry?

Mr. Speaker: I regret to advise the hon. member that his question is too general. The information he is asking for should normally be given by the minister on motions.

[*English*]

UNITED NATIONS

INVESTIGATION BY CONTROL COMMISSION OF INFILTRATION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to direct a question to the Secretary of State for External

Affairs. It arises out of a statement yesterday by Mr. McCloskey, the White House press representative, which no doubt has been brought to the minister's attention. Has the International Control Commission, on which Canada is represented, been requested at any time in the past six months to investigate allegations of North Vietnamese massive infiltration into Laotian territory and, if so, what were the results?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would like to take notice of that question.

TRADE

WHEAT—REQUEST FOR RENEWED SALES EFFORT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Minister of Industry, Trade and Commerce. Has the attention of the minister been called to the fact that there has been a large wheat sale by Australia to China, worth $137 million? Will the government now persuade the Canadian Wheat Board to renew its efforts to make other sales to China and other countries, and will the government give some assurance of the fact that, aided by constructive proposals from this side of the house, the problems with regard to storage and transport will indeed be solved?

GRAIN—RESTRUCTURING OF MARKETING POLICY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the announcement made in Quebec by the Minister of Agriculture that a chairman has been appointed for a National Grains Council, does this indicate a restructuring of government policy with regard to the marketing of western Canadian grain?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker. The National Grains Council is a council that we had talked about a great deal during the election, and this is the fulfilment of the promise we had made.

Mr. Gleave: As a supplementary question, Mr. Speaker, would the government at an early date give the house some information on the terms of reference and the financing of this council?

Mr. Trudeau: Yes, Mr. Speaker. I believe the Minister of Agriculture will want to make public some information on this subject.

Inquiries of the Ministry

CANADIAN FILM DEVELOPMENT CORPORATION

MICHAEL SPENCER—ENTITLEMENT OF PARLIAMENT TO INFORMATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I wish to direct a question to the Secretary of State. Is the minister aware of the position of Michael Spencer, acting secretary of the Canadian Film Development Corporation, that parliament is not entitled to information about the way this agency is spending money? Will my question on the order paper, No. 1,188 be answered in due course?

Mr. Speaker: Order. Perhaps the second question might be answered by the Secretary of State.

Hon. Gérard Pelletier (Secretary of State): In due course, certainly, Mr. Speaker.

[*Translation*]

EXTERNAL AFFAIRS

NEGOTIATIONS BETWEEN FRANCE AND QUEBEC RESPECTING SATELLITES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

Is the minister aware of arrangements made between the French government and the Quebec government concerning the Symphonie satellite. In the affirmative, could he tell us if he has approved them?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, a similar question was asked on our last sitting day. I said we had been furnished with copies of the letters that were exchanged between the government of Quebec and the government of France. These are now under study in the department and I expect I will either make a statement or answer questions after the study has been completed.

[*Translation*]

[*Later:*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the Prime Minister.

Having in mind the problems which appear to crop up concerning the satellite project, would the Prime Minister be in favour of a tripartite agreement between Quebec, Ottawa and France to work things out?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I do not feel that we have

reached the stage of a tripartite agreement yet. An umbrella agreement has been concluded by the French and the Canadian governments allowing the provinces to do certain things. In the light of international law, the minister, as he said, is now in the process of establishing whether the letters that were exchanged in Paris fall under that agreement.

For my part, I am surprised that the province should have enough money to concern itself with things that do not fall within its jurisdiction. If it has millions of dollars to invest in the field of satellites, I am convinced that the Minister of Finance will be pleased to hear about it.

Mr. La Salle: Mr. Speaker, a supplementary question.

I did not ask the Prime Minister whether the stage had been reached for a tripartite agreement, but whether he would favour the idea?

Mr. Speaker: The question then becomes hypothetical.

[*English*]

ESTATE TAX ACT

REQUEST FOR INFORMATION RESPECTING LEGISLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of Finance when he is going to present to this house the often promised and long dreaded legislation on taxation?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this first-rate legislation with regard to estate taxes will be presented to the house tomorrow.

Some hon. Members: Hear, hear.

TRANSPORT

LEASING OF WATER LOTS ON CANAL SYSTEMS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Transport. Is it still the department's intention to pursue its program with respect to water lot leasing on the Trent and Rideau canal systems?

Mr. Speaker: Perhaps this question might be placed on the order paper.

Mr. Scott: Ten o'clock, Mr. Speaker.

[Mr. Trudeau.]

HIGHWAY SAFETY

REGULATIONS RESPECTING SNOWMOBILES

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I would like to direct a question to the Minister of Transport. Is the government giving any consideration to providing regulations for the operation of snowmobiles owing to the fact that they have been responsible for the death of quite a number of people and have now become a menace to pedestrians and other traffic?

Hon. Paul Hellyer (Minister of Transport): This would be a matter strictly within provincial jurisdiction, unless or until these machines become engaged in interprovincial or international traffic.

Mr. Noble: Mr. Speaker, this is the same answer I got when I raised the problem of highway safety in this house. I think the minister and the government will still have to look after it.

CANADIAN BROADCASTING CORPORATION

SASKATCHEWAN—LOCATION OF TELEVISION OUTLET

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to direct a question to the Secretary of State. Can he advise the house whether the negotiations by the C.B.C. for the acquisition of a television outlet in Saskatchewan have been completed? Can he make an announcement now, or when will he make an announcement as to where these facilities will be located?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I answered that question three or four days ago and I have nothing to add to the reply I gave then.

EXTERNAL AFFAIRS

NEGOTIATIONS BETWEEN FRANCE AND QUEBEC RESPECTING SATELLITES

Mr. Bernard Dumont (Frontenac): Mr. Speaker, the Prime Minister said that Quebec had millions of dollars to spend for the Symphonie satellite. Is he not aware of the fact that France is giving it free of charge?

[*English*]

RURAL DEVELOPMENT

NOVA SCOTIA—ARDA REPORT RESPECTING NORTHERN COUNTIES

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I should like to direct this question to the parliamentary secretary to the minister for rural development. On January 15 I asked the minister regarding the possibility of making public the ARDA task force report on the nine northern counties of Nova Scotia. The minister at that time said that he would take the question under consideration and answer later. Would the parliamentary secretary look into the matter and give an answer tomorrow or the day after?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Mr. Speaker, the minister was here earlier. I will bring the question to his attention.

AIRPORTS

OTTAWA—CONDITION OF ACCESS ROAD

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is supplementary to the question asked by my colleague the hon. member for South Shore of the Minister of Transport. I am not sure whether my question should be addressed to the Minister of Transport or to the minister who is responsible for the National Capital Commission. My question is whether any minister of the cabinet or any cabinet committee is looking into the matter of the condition of the road from the airport to the city of Ottawa. Is any work being done on this with the proper civic authorities?

Mr. Speaker: Order. The question should be placed on the order paper.

Mr. Nowlan: On a point of order, Mr. Speaker. I quite appreciate that during this question period questions must be of national importance and urgency. Unless something is done pretty soon we will not be able to drive from the airport to the city because of the potholes which are showing up in the road at a rate that would not even be usual in the Yukon Territory.

Mr. Speaker: Order. That is not a question; it is a grievance.

Inquiries of the Ministry

NATIONAL DEFENCE

NATO AND NORAD—REQUEST FOR POSITION OF MINISTERS ON POLICY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct my question to the Minister of National Defence, who is in charge of the defences of the nation. When he made the statement giving his full and undivided support to NATO and its continuance, was he speaking for the government and, if so, would he post a letter to the Postmaster General to remind him of that fact.

Mr. Speaker: Order, please. I suggest that a question relating to statements made outside the house can only be directed to the Prime Minister.

Mr. Diefenbaker: I shall ask it without referring to anything outside the house. Is the minister taking a stand on behalf of the government, a most statesmanlike stand too, that NATO shall be preserved for the defence of this nation? Can't the minister answer?

Hon. Leo Cadieux (Minister of National Defence): I was stating my personal conviction. Of course I can.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I should like to address a supplementary question to the Minister of National Defence. Is the minister stating current government defence policy when he says that the present policy is that laid down by the white paper of 1964?

Mr. Cadieux (Labelle): I do not believe I said that, Mr. Speaker.

Mr. McIntosh: I will rephrase my question.

Mr. Speaker: Order, please. The question asked by the hon. member and the question asked by the right hon. member for Prince Albert point up the difficulty in asking a minister about statements made outside the house. The rule is quite clear that the only reference that can be made to such statements is by way of a question to the Prime Minister, asking whether such a declaration represents government policy.

Mr. McIntosh: May I rephrase my question. Is current Canadian defence policy the same as that set out in the white paper of 1964?

Mr. Speaker: Order, please. The hon. member is asking the minister to give a statement on policy. I have the impression that this kind of statement should be made on

motions. But if hon. members want to allow the minister to reply, I have no objection.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question, Mr. Speaker. Within the limitations placed by Your Honour on the questioning of ministers within their own competence, I will address my question to the Prime Minister. The Prime Minister is aware of what was said by the Minister of National Defence. Does that reflect present government policy with regard to NATO and NORAD?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I answered the question on Monday. I read from the statement of the minister wherein he said that present policy was under review and he was not stating his conclusions as to what the result of the review would be. This is a matter for the government to decide. I realize there is quite a bit of distress in the opposition ranks about our policy, but if it will reassure them I can tell them that we are pursuing our review and will come to a policy which all cabinet ministers will support wholeheartedly.

An hon. Member: Or else they won't be there.

DRUGS

IMPOSITION OF CONTROLS ON AMPHETAMINE TYPE STIMULANTS

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, on Monday I asked a question of the Secretary of State for External Affairs regarding drugs. Perhaps the ruling that this question should have been placed on the order paper may have been given because you, Mr. Speaker, did not understand the question, since it is reported incorrectly in *Hansard*.

The question should be: For what reason did Canada refuse to support the efforts of Sweden—not of students—to impose strict controls, through the United Nations narcotics commission, on amphetamine type stimulants.

Mr. Speaker: I am sure the revised question is more acceptable than the first one, but I am afraid that even with the change I must rule that it should be placed on the order paper. If there is a matter of urgency, it could be discussed at the time of adjournment.

CRIMINAL CODE

AVAILABILITY OF AMENDING BILL

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to address this question to the Minister of Justice. In view of the large number of requests I have received, as I am sure other members of this house have, regarding extra copies of the bill to amend the Criminal Code, Bill C-150, would the minister use his good offices to make more copies available to members.

Hon. John N. Turner (Minister of Justice): That is a good idea, Mr. Speaker.

FISHERIES

REQUEST FOR STATEMENT RESPECTING GOVERNMENT PROGRAM

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Fisheries. In view of the tremendous uncertainty regarding the economic feasibility of prosecuting the 1969 fishery operation, could the minister give some definite indication of when and what type of governmental program will prevail in this coming 1969 season?

Mr. Speaker: I am wondering whether perhaps the hon. member is asking for a statement which should be made on motions. This is the impression I have.

Mr. Lundrigan: Then perhaps I might ask at what definite date we might expect an indication of the nature of the government's program to be announced for the coming season.

Hon. Jack Davis (Minister of Fisheries): The answer very briefly is that this matter is under active discussion with the representatives of the fishermen and with the companies at the present time.

Mr. Lundrigan: A number of hon. members have received a tremendous number of inquiries from people who plan literally to quit the fishing operation altogether. We have heard this same answer on a number of occasions. I would like a more definite indication.

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is a supplementary, directed to the Minister of Fisheries. On January 21 the minister announced, in reply to my question, that he would be announcing the policy in this regard within the month. Does that still stand, and when can we expect an announcement, since January now is just about over?

Mr. Davis: Certainly before February 21, Mr. Speaker.

ESTATE TAX ACT

INFORMATION TO GOVERNMENT SUPPORTERS RESPECTING LEGISLATION

Mr. Craig Stewart (Marquette): Mr. Speaker, I should like to direct my question to the Minister of Finance. Has the minister provided confidential information concerning changes in proposed estate tax laws to government members of this house for transmission to their friends?

Mr. Speaker: Need I suggest to the hon. member that the question as asked is either a charge or an accusation, and therefore cannot be accepted, phrased in that way.

DISCLOSURES BY HON. MEMBER FOR PORTAGE AND HON. MEMBER FOR PROVENCHER RESPECTING LEGISLATION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to ask the Minister of Finance whether he can advise the house as to any confidential information which may have been given to any member of this house regarding the proposed estate tax legislation?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the resolution and a full explanation of it was given to the whole house and to the country. Since the resolution was introduced in the house, I have had discussions with members of my own caucus and members of the opposition in respect of their ideas about what should happen to estate tax law. Indeed, the Leader of the Opposition has said I should withdraw the legislation entirely and not benefit the women of the country. Apparently he is against women.

Mr. Lambert (Edmonton West): Mr. Speaker, my question simply was, has any confidential information been given to any members of the house in respect of the estate tax proposals or changes?

Mr. Benson: I do not really know what my friend means by "confidential information", but—

An hon. Member: Oh, yes you do.

Mr. A. D. Hales (Wellington South): Mr. Speaker, among the great amount of mail the Minister of Finance has received concerning changes to the estate tax laws did he receive a petition from the Liberal association of the Wellington riding asking him to withdraw it?

Mr. Speaker: Order, please. I suggest to the hon. member that this type of question cannot be asked at this time. This would open the door to many similar questions.

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, would it not be easier for the minister to table all the letters of criticism that he has received, although not here in the house because they would fill this chamber?

Mr. Benson: I would be glad to table the compliments I have received, and they are very numerous.

Mr. Bell: You will get more letters when the people hear about that.

Mr. Lambert (Edmonton West): Mr. Speaker, would the minister advise the house whether he authorized the hon. member for Portage and the hon. member for Provencher to disclose that he was going to make certain changes and would bow to some of the opposition to the bill?

Mr. Benson: No, Mr. Speaker.

Mr. Lambert (Edmonton West): Is the minister then saying that the disclosures made by those hon. members were incorrect?

Mr. Benson: I have not seen them.

Mr. Speaker: Order, please.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in view of the increasing opposition to the proposed change in respect of estate taxes, of which I am sure the minister is aware, can he now state that he is prepared to change this measure in order to make it more realistic for Canadians who want to work and save in the future?

Mr. Speaker: Order, please. The question is argumentative. I suggest to the hon. member that this type of question should be asked during the course of his speech when we are considering the legislation.

Mr. Alexander: May I rephrase my question, Mr. Speaker? In view of the many representations which have been made to the minister through letters, and statements this afternoon, can he now state that he is prepared to change the estate tax bill?

Mr. Benson: The legislation will be introduced tomorrow and my hon. friend will see exactly what is in the bill then.

Mr. Speaker: Order, please. May I remind the house that other members would like to ask questions. There have been quite a number of supplementary questions on this subject, but I will allow another by the hon. member for Edmonton Mest.

Inquiries of the Ministry

Mr. Lambert (Edmonton West): Mr. Speaker, will the changes about which discussions have taken place include a change in the date when the estate tax bill comes into force, an increase in the ceiling exemption and the allowance of a period of five years over which the estate tax may be paid under the new provisions?

Mr. Benson: Mr. Speaker, the hon. member is wrong on most of his queries.

Mr. Speaker: Order, please.

HOUSING

ADVANCE COPIES OF TASK FORCE REPORT—ACTION OF *TIME* MAGAZINE

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, this question is addressed to the Minister of Transport. It is in respect of a matter concerning which I had thought a question would have been asked before this. Did the minister make available advance copies of the housing task force report to the press gallery, on orders they keep silent about its contents until the two o'clock deadline.

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker.

Mr. Bell: Did this apply to *Time* magazine?

Mr. Hellyer: They might have had one this morning, Mr. Speaker. They did not have one earlier. If you read their report carefully you will realize that they could not possibly have had the report.

Mr. Bell: Do I understand the minister to say this did apply to *Time* magazine?

Mr. Hellyer: Maybe for next week's edition, not for last.

Mr. Bell: Did they have access in any way to information on the housing task force report?

Mr. Hellyer: To the best of my knowledge, they did not have a copy of the report. The task force reports were all locked up at the Queen's Printer until Monday night, after *Time* had gone to press.

They might very easily have had access to someone who had knowledge of what was in the task force report. That is the only explanation I have for the two direct quotations they have. I can make inquiries as to what happened and provide an answer for my hon. friend.

Mr. Bell: Will the minister make inquiries along this line, to make certain that nobody in his department had any contact with *Time* magazine on this subject, in advance?

Mr. Hellyer: My department is so large, Mr. Speaker, that would require a big inquiry.

[*Translation*]

SHIPPING

REQUEST FOR LOWER RATES ON ST. LAWRENCE SEAWAY

Mr. Henri Latulippe (Compton): Mr. Speaker, I should like to direct my question to the minister of Transport. In view of the many protests by shipowners, grain and ore shippers and lock users, with regard to the high toll rates on the St. Lawrence Seaway, would the minister say whether he is considering a reduction of these rates in order to make water transportation more economical?

Mr. Speaker: In my opinion, the hon. member's question tends to be too general. The hon. member asked the minister to make a statement with regard to the general policy of his department or the government and I think that such a statement should be made on motions.

[*English*]

INQUIRY OF THE MINISTRY

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to ask the government house leader whether, as a result of yesterday's experience with committee meetings, especially the meeting of the fisheries committee, he can confirm that explicit orders were given to his colleagues to vote against all constructive amendments moved by members of opposition parties?

Mr. Speaker: Order, please.

HOUSING

REMOVAL OF TAX ON BUILDING MATERIALS

Mr. R. E. McKinley (Huron): Mr. Speaker, I should like to ask the Minister of Transport whether the recommendations of the task force to remove the 11 per cent sales tax on building materials was taken from the Conservative election platforms of 1965 or 1968?

Mr. Hellyer: It was in spite of that.

WATER RESOURCES

LONG HARBOUR, NFLD.—INVESTIGATION OF WATER POLLUTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I should like to ask the Minister of Fisheries whether he can inform the house about what steps are being taken to investigate evidence of a serious pollution problem in the waters around Long Harbour, Newfoundland, where a quantity of dead fish have been found floating near the beaches?

Mr. Speaker: It is difficult to decide from here how urgent this question is. I would think perhaps it might wait until the hour of adjournment.

Mr. Carter: It is very important to the fish, Mr. Speaker.

MESSAGE FROM THE SENATE

Mr. Speaker: Before calling orders of the day, I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-25, an act to amend the Export and Import Permits Act, to which the concurrence of this house is desired.

• (3:30 p.m.)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

FIRST ALLOTTED DAY—NON-CONFIDENCE MOTION—ALLEGED FAILURE TO PRESENT ECONOMIC PROGRAMS TO REDUCE UNEMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I move:

That this house regrets that the government is not presenting programs to achieve a rate of economic growth which will reduce unemployment and also ensure that the economy will be able to absorb the large number of new entrants into the labour force this year.

Mr. Speaker: Before the Leader of the Opposition is allowed to proceed with his motion, may I mention that I have had the opportunity, with the co-operation of the hon. gentleman, to consider the proposed motion. I should like now to make the following comments for the assistance of hon. members. Let me draw the attention of the house to the wording of this proposed motion in view of previous decisions of the house during the current session.

I specifically refer to a subamendment moved by the hon. member for York South (Mr. Lewis) during the address in reply to the speech from the throne, which motion was decided in the negative on December 17, 1968.

Hon. members will recall that on that occasion the Leader of the Opposition had moved an amendment to the effect that the government had refused to recognize or respond to Canada's current and urgent economic and social problems and had failed to provide parliament with an agenda of priorities to define and implement the just society. Thereupon, the hon. member for York South proposed a subamendment to include the question of housing, urban development, unemployment and poverty.

There is a similarity between what is being proposed today and what was decided on September 17, 1968. I merely draw this to the attention of the house, not with the intention of refusing the motion proposed today but in order to caution hon. members that a problem does exist which perhaps they may wish to reflect upon when occasions arise to move motions of non-confidence and set forth grievances under our new rules.

Supply motions should relate to specific matters and should not be an effort to cover a multitude of subjects in one motion. Amendments, of course, should be strictly relevant to the main motion, and when the main motion is drawn in general terms it becomes exceedingly difficult to limit amendments that may be proposed.

I should point out to hon. members that in the course of an ordinary session about 40 days will be provided for the moving of non-confidence motions or the raising of grievances against the government by opposition members, according to the new rules of the house. I need not expand on that except to say that as this session progresses it will become very difficult to draft motions which will not violate the well established rule to which I have referred.

Having drawn this problem to the attention of hon. members, I will now put the motion to the house. Mr. Stanfield, seconded by Mr. MacEwan, moved:

That this house regrets that the government is not presenting programs to achieve a rate of economic growth which will reduce unemployment and also ensure that the economy will be able to absorb the large number of new entrants into the labour force this year.

Mr. Stanfield: Mr. Speaker, this is the first of the so-called opposition days provided un-

der the new rules. Opposition days give us an opportunity to honour one of the most important obligations of a parliamentary opposition, that of focussing a public spotlight on problems which the government would otherwise avoid discussing. That is certainly the case with our immediate and even longer term economic problems, because the Minister of Finance (Mr. Benson) has proposed, save only for some unforeseen emergency—and of course we are getting used to unforeseen emergencies developing—not to discuss economic problems or economic policy in any coherent context, which is to say in the context of a budgetary statement from the government, until the spring of 1970.

Mr. Benson: Who said that?

Mr. Stanfield: Opposition days provide an opportunity for parliament to draw public attention to problems which the government is failing to meet. In the case of the present government at this stage of its mandate, the obligation upon the opposition is, I suggest, especially important because, for better or worse, we will have this government with us in Canada for another three and a half years or so in the normal course of events. It would be tragic for Canada if the present uncertainty in economic policy continued; tragic if the parliamentary opposition allowed the government to get away very much longer with the sort of bland, complacent, almost indifferent attitude toward government responsibility for economic progress. So, this motion on this opposition day will have performed a very useful public service if we succeed only in shaking the government out of some of its complacency.

Some hon. Members: Hear, hear.

Mr. Stanfield: What did the Canadian economy accomplish in 1968? It was a tremendous year for exports, and I gladly acknowledge it. More than 86 per cent of the increase in exports was accounted for by exports to the United States. The copper strike there and the threatened strikes in the iron and steel industry played a significant part in increasing our exports to that country. So, the increase has to be seen in that context. Nevertheless, the total increase in exports during 1968 was outstanding. It was much higher than anticipated, something of the order of 18 per cent or more. I think the increase was 18.7 per cent for the first 11 months of 1968 as compared with the first 11 months of 1967.

Canadians are of course delighted with this increase. However, our total exports depend on one market, that of the United States. Over 66 per cent of all our exports went there last year. This fact does raise serious questions about our dependence upon one trading partner, but that is a subject for another day and another discussion. The increase in exports is important in two respects to the case that I want to establish this afternoon. First, I do not think even the most optimistic forecaster would predict that our increase in exports in 1969 will make nearly as important an over-all contribution to our economy as it did in 1968. Second—and I suggest this is very significant—the fact is that despite this almost phenomenal increase in exports in 1968, Canada's rate of economic growth still fell short of the target for growth set for Canada by the Economic Council of Canada. That council has made it clear that Canada requires an average annual rate of real economic growth of something like 5½ per cent if we are to create enough jobs to absorb the new entrants into our labour force each year.

Canada has failed, and failed conspicuously, to attain that minimum objective. In 1968 the rate of real economic growth was estimated to have been in the order of from 4 to 4½ per cent, well short of the target minimum set by the Economic Council of Canada. The record for the year 1968 has to be viewed against the poor performance of the year 1967, when we achieved a rate of economic growth of 2.8 per cent. I do not want to belabour this point because our relatively poor showing in terms of employment and economic growth, and also in terms of inflation during the last couple of years, has been conceded in the white paper tabled before Christmas by the Minister of Consumer and Corporate Affairs (Mr. Basford). But the cumulative effect of this failure to attain the minimum potential in economic growth for three years running is now staring us right in the face this winter.

All the while we have suffered from this extraordinary combination of lagging rate of growth plus unacceptably high inflation. Again, and this has an important bearing on our problems relating to employment and growth, the Economic Council suggested that we could tolerate a rate of annual increase in prices of between 1.4 per cent to 2 per cent per annum, whereas in fact in 1966 the actual rate of increase in prices was 3.7 per cent. In 1967 it was 3.5 per cent, and in 1968, the year

of the great war against inflation by this government, the increase was 4.2 per cent.

Price increases in some years have been more than twice as high as the maximum tolerable. Unemployment in some years has been as much as twice as high as the maximum suggested by the Economic Council as tolerable. The rate of growth in some years has been less than half the target set by the Economic Council.

• (3:40 p.m.)

Employment and unemployment figures for January will not be published for another few weeks or so. Perhaps the January figures will belatedly shake the government out of some of its complacency. In the middle of December, when one would expect the stepped up activity in the consumer sector of the economy to be reflected in employment figures, the labour force itself has declined by some 75,000 persons in a single month. Unemployment has increased by some 35,000 persons, and this is in addition to the shrinkage in the labour force. In the middle of December, 373,000 Canadians were unemployed, some 4.7 per cent of the labour force, and the situation will be worse when the January figures are published in some two weeks time.

These figures show a failure in policy. The present Secretary of State for External Affairs (Mr. Sharp) spoke about inflation almost three years ago when he was minister of finance. There is no point in detailing his shameful record of performance in this connection. We all remember the phoney war against inflation, and the way the government tried to cook the books to show spending cuts that were never in fact made. The present Minister of Finance (Mr. Benson), when he was president of the treasury board, was the instrument of that deception. He was the instrument of that false and misleading forecast about the monetary situation less than a year ago. As the former minister of finance put it, they let a little slack into the economy to try to fight inflation; they cut back on job producing programs. These policies have failed to accomplish their purpose. The evidence is before us. Inflation has not been brought under control. Unemployment is still unacceptably high and rising as a result of a deliberate government policy to fight inflation by deliberately inducing a little slack in the economy.

There is no point in detailing the faults of the government in the past few years except to plead with them to try to learn something from their failures in policy. We also plead with the government to realize how crucial is the factor of confidence in Canada's economy and confidence in the government's management of this economy. We have a policy of deliberate unemployment and deliberate slack because of the failure to cope with inflation by other means.

What is the government doing about inflation since the policy of slack has failed, failed by the admission of the government's own white paper? It has recognized the failure of its existing program. For more than a year, the government has been saying that the existing methods for fighting inflation are inadequate. Having recognized its failure, what is the government doing to take the slack out of the economy without unnecessarily increasing inflationary pressures?

It said it was going to appoint a continuing royal commission, an independent study group, to produce solutions, perhaps some years hence. In the meantime, is the Canadian nation doomed to limp along for years suffering excessive inflation and excessive unemployment, suffering the risk of a loss of its competitive position in the world markets. Are we to run the risk of renewed currency difficulties, all the while suffer from the lack of opportunities for all our people? Is this the government that not many months ago was trying to give the people the impression that it would never settle for anything but the best, and yet is now accepting apparently excessive inflation and excessive unemployment as a policy? I say certainly the government should continue the studies which it wants to undertake, but in the meantime it should also take positive steps to reinforce voluntary programs of restraint.

I notice that an advisory group to President Johnson in the United States recently recommended to him a guideline policy for the consideration of both management and labour. The government should try to establish such a policy so that normal expansion can proceed and so that the government can abandon its policy of deliberate slackness in the economy and thereby avoid condemning our country to severe unemployment and inflation.

When is Canada going to start catching up? When do we begin to make up for the cumulative failure to achieve our economic potential, much less attain that minimum potential in any one year? The results of the government's policies are staring us in the face this winter, and unless the economy is

put in order, unless the government acts decisively to restore confidence in the economy, the situation may well get worse before it gets better.

Where will the economy be next spring? So far as we can now tell, the rate of economic growth will still be below the minimum acceptable rate, inflation will still be unacceptably high, and unemployment will still be high. So far as we can judge from many of the things the Minister of Finance has said, a year from now we will still be waiting for some kind of budgetary statement from him giving us an idea of where the country stands. All this against the background of the preceding three or four years when the performance has been far short of the potential of our country.

The December unemployment figures are bad enough on the national average when compared with the figures for the previous month. But when you have a 7.1 per cent unemployment rate in the Atlantic provinces and a 6.8 per cent unemployment rate in Quebec, surely that adds to the seriousness of the problem. I am well aware that unemployment rates in the Atlantic provinces have been traditionally high, but surely it is intolerable for the government to temporize any longer with the policies promised now for seven or eight months in the field of regional development.

The Prime Minister and his associates were glib enough about regional disparity during the election campaign. There were promises of a Marshall plan for the slow growth areas. Where are these policies? When we ask straightforward questions about regional disparity in this house and about the high level of unemployment in Quebec and the Atlantic provinces, we are told by the minister responsible that he will deal with these matters when he brings in his bill establishing the new department. I say to my hon. friends: Bring it in now. What is the government waiting for? This house has dealt with a wide variety of legislation, some of it important, some of it rather routine and less urgent in terms of the impact upon the suffering of thousands of Canadians. If there are policies that this government has to help overcome regional disparity and to fight the particularly high unemployment rates in some parts of the country, we are entitled to see these policies, and the government is obliged to implement them without further delay.

So far, we have heard rumours that the Atlantic Development Board is to be dismantled and turned into some kind of anaemic advisory board. It is time that the minister and the government put an end to the speculation and gave an honest statement of their intentions. The views of this party, its program with regard to regional development, are well known, and I would be happy to elaborate on them at any time for my hon. friends.

There are other regional problems in the country. There are the acute problems of western agriculture and they affect employment in that part of the country and in the country as a whole as the problem backs up. The agricultural community in western Canada does not yet believe the government is even concerned about their problems. Consequently, confidence in the future of agriculture is wanting. I simply say today that in terms of the economy of the whole country, as well as in terms of that part in Canada, it is important that the government act to restore confidence. This requires an end to the uncertainties surrounding the economic policies of the government. I hope this motion carries with it clearly the implication that confidence in Canada's economy, confidence in the competence of the government to manage the economy, is very much at stake at the present time.

• (3:50 p.m.)

This motion demands the disclosure of the economic policies of the government. It demands to know how the government proposes to go about the urgent task of getting the country into a position where we can attain our reasonable potential for growth this year and in the years ahead, as well as making up some of the ground lost in the last few years. The country neither expects nor requires a flawless and detailed blueprint for economic success, but surely it is entitled to know the main outlines of the government's economic policy after nine months in office of this so-called new regime.

Surely, it is not enough to abandon existing programs, whether in connection with winter works or in the fisheries field or in science, citing their shortcomings which everybody knew about, and then begin to look for new programs. Surely, it erodes confidence to talk about restraint and then to produce an accounting in which the deficit is higher by hundreds of millions of dollars than had been expected. Surely, in this vital area of economic policy, involving the question of confidence which is so closely related to growth, it is foolhardy to try to get by with bland statements that trade policy is under review that

regional development programs are under review, and so on.

Especially is this so when the country has come so dangerously close to a crisis of confidence as has been the case in the past couple of years. In our economy, growth and employment require sound leadership and decisions by the federal government. Active and progressive participation by the provinces is also needed. They must have the confidence and the ability to play an active part. Resourceful private citizens, groups of citizens and private corporations, must fulfil their dynamic role in the area of private entreprise. And we must not overlook the importance of the provinces in developing employment and growth throughout the country.

This government, far from meeting the provinces, settling priorities and working out a co-operative program to develop the country, has declared financial warfare on the provinces. Instead of co-operation and resulting confidence, we find uncertainty on the part of the provinces as to their future. This, of course, affects their ability to plan in a forward way and their ability to play their full part in developing the economy and in increasing employment.

Their activities are, of course, affected, too, by the bond market. Despite high interest rates, an inflationary psychology has developed which makes more and more Canadians reluctant to invest in long term bonds. There is a lack of interest in bonds. I know there has been some recent improvement in the prices of some bonds in Canada but this does not reflect very much. The market has not been tested. The feeling today is that the market remains very uncertain and that most borrowers would receive an uncertain welcome in terms of medium or long range issues. This restricts the ability of the provinces to play one of their essential roles.

It is important that the government change its policy toward the provinces and, by means of the active anti-inflationary role which I have suggested, help to bring stability to the financial efforts of the provincial governments. The ability of private enterprise to do its forward planning in terms of development is similarly affected with regard to making specific arrangements on the bond market. We ought not to be fooled by the upward surge in certain parts of the stock market because this, too, reflects in substantial measure an inflationary psychology.

These matters are of urgent importance to the government and there are other uncertainties which this government has created for private citizens and private companies whether they are engaged in fishing, farming, mining or manufacturing. There is the alarming possibility of an insipient tax war between this government and the provinces, the possibility of a tax jungle developing. Does this not tend to create confusion and lack of confidence?

The Minister of Finance himself generates uncertainty about the government's policy on tax reform by indicating that when he does bring in his proposals they will be published by way of draft legislation rather than by way of a white paper as the Liberal government originally promised. How does that sound to the people, to the investment community which is already only too wary about the tendency of this government to lay down the law with little discussion and little regard for the problems and complications which may result? What will this attitude do to confidence in Canada, necessary as such confidence is to the creation of adequate employment? What is the country to think of a Minister of Finance who announces changes in the estate tax law in October but who still has not produced any legislation at the end of January? We have not yet seen the legislation, although it is true we have now been given a promise that we shall see it tomorrow. I hope we shall. But what does this do to confidence?

I could talk, Mr. Speaker, about the need for international monetary reform and how disappointed I am about the negative attitude taken by the Minister of Finance; about his tendency to treat the crisis relating to the franc, for example, as a strictly European problem when this country should be taking the lead. In terms of employment or future development no country has a greater reason for taking the lead in monetary reform than has Canada.

Some hon. Members: Hear, hear.

Mr. Stanfield: In the face of all this uncertainty, in the face of growing unemployment and rising prices, in the face of the challenges which have to be met this year and in the light of the blow to confidence resulting from the incredible nature of last October's budgetary accounting, the Minister of Finance now has the audacity to inform the country, in a statement made outside this house, that he might not bring in another budget until the

spring of 1970. Yet in the face of all this, the Prime Minister (Mr. Trudeau) airily assures Canadians that government policies are working well and that everything is going as he had planned.

Throughout Canada one responsible press commentator after another and one editorial writer after another is wondering about the competence of this government in terms of economic policy. They are wondering in terms that have grown from uncertainty to alarm.

I am not going to quote all of these editorials because I do not want to embarrass the Minister of Finance unnecessarily.

• (4:00 p.m.)

Mr. Lewis: Why not?

Mr. Stanfield: I should just like to quote one, and it is the last one that I read. It says things about the minister that I would not quite put that way myself. This editorial appeared in the *Financial Times* for January 13 and relates to the minister's speech about the bond market. It also refers to the speech made at the annual meeting of the banks, and reads:

Mr. Benson sounded last week like a mystified child—

Mr. Benson: Did you start to say "Senator Benson"?

Mr. Stanfield: I do not want to create any more confusion; there is far too much now. I am referring to "Mr." Benson. The article continues:

—like a mystified child groping through a grown-up world—

I admit that sometimes the minister has me confused.

—Mr. Benson has been incredible ever since his October budget, but last week's talk about the bond market was astounding in its bland unawareness. Before, he had lost credibility but was presumed to retain some perverted hold on reality. After the performance in Toronto, he seemed to be living in some cloud-cuckoo-land.

Prime Minister Trudeau has a lot of important plans and problems on his plate. But none of them is as immediate as the crisis in public finance ... this deserves his very first attention. If he cannot recover some of the lost financial confidence, he might as well kiss good-by to his other cherished goals.

That is one of the tie-ups between the questions of confidence, growth and employment.

[Mr. Stanfield.]

Mr. Speaker: Order. I have to interrupt the hon. gentleman to bring to his attention and also to the attention of the house that according to the provisions of standing order 58(13) the hon. gentleman's time has expired, unless he has consent of hon. members to continue.

Some hon. Members: Agreed.

Mr. Stanfield: Mr. Speaker, perhaps I might just sum up what I am saying. In addition to adopting an aggressive policy against inflation, I suggest that the government invite business, industry, labour and other governments to co-operate in preparing guidelines which will lead to a policy of general expansion. Unless the government stops its warfare with the provinces and co-operates in determining priorities so that the provinces can plan and play their full roles; unless it restores the confidence of investors and entrepreneurs in the bond market; unless the minister indicates his willingness to bring in a budget and have a proper discussion of the financial affairs of the country as they relate to the economy; unless he is prepared to bring in a white paper on taxation reform which can be properly discussed before the country is committed; unless the government is prepared to proceed with its program of fighting economic disparity and restoring confidence in Canada, the outlook is for additional failure, for continuing unemployment.

The purpose of the resolution is to call upon the government, in the name of the people of Canada, to produce policies that will provide this country with the rate of growth that it requires, provide the employment that is necessary for the oncoming work force and reduce the unnecessarily high unemployment that exists. It is for this purpose that I present this motion to the house at this time.

Mr. David Lewis (York South): Mr. Speaker, you will no doubt recall that some days ago I attempted to place before the house a motion to adjourn the business of the house under standing order 26, a motion that you found unacceptable under the rules. Therefore, I do not have to emphasize the fact that my colleagues and I fully approve of and support the motion that has been put before this house.

During the early part of his remarks the Leader of the Opposition (Mr. Stanfield) emphasized at one point, I seem to recall, that one of the criticisms he had to make was that the present rise in unemployment was

the result of deliberate policy by the government. I agree with that, and it is on that basis that I propose at the end of my remarks to move an amendment to this motion, adding words to it that will underline the responsibility of the government for the unemployment situation. I suggest it is not the result merely of something that is beyond the control of the government; it is the result of the government's deliberate intentions and of policies that have been pursued over the past few years.

Sitting in this august chamber it is easy to forget what the Dominion Bureau of Statistics figures in connection with the frightening rise in unemployment really mean, and to look at them merely as figures. Forgive me if I remind hon. members of this house—not that I think they need reminding, but in order to place our discussion in the proper context—that what we are talking about are hundreds of thousands of human beings. We are talking not only about people who themselves are unemployed but also about people who depend on employment. These unemployment figures represent human tragedy on a large scale. They represent fear, want, hopes dashed and confidence undermined. That is what we are really talking about today. We are not talking merely about a rate of growth that is one percentage figure or another percentage figure. We are not talking about mere figures of 300,000 or 400,000. We are speaking about the immense and continuing suffering, deprivation and spiritual degradation of hundreds of thousands of people as a result of deliberate government policy.

This is why I cannot discuss this subject with any equanimity. This is why I agree entirely that a government, or anybody else for that matter, that is complacent about this kind of situation is guilty of shameful insensitivity. Any member of a group that is responsible for such unconcern who speaks to me today about the just society appears to me to be about as great a hypocrite as I could ever hear or read about.

During the election the Minister of Finance (Mr. Benson) said that the employment outlook was good. He said that if we were to get high unemployment, he believed that the government would have to prime the economy, but that that would not be appropriate at that time. How high is high, Mr. Speaker? How high does unemployment have to climb before the Minister of Finance considers it serious enough to take action?

Alleged Failure to Reduce Unemployment

I should like to draw the attention of the house to a recent report in the Toronto *Star* for December 30, a time, we must remember, when unemployment across the country was already 4.6 or 4.7 per cent, seasonally adjusted. The Minister of Finance is reported as having said that unemployment in Canada was then higher than he would like to see it—how kind of him to say that—but that it was not intolerably high.

• (4:10 p.m.)

On behalf of my colleagues and myself, and I am certain I can speak on behalf of every thinking and feeling person in Canada, I say that an unemployment rate that is almost at 5 per cent seasonally adjusted is intolerably high, and that no excuse can be made for it. As you know, Mr. Speaker, the Economic Council of Canada has indicated that 3 per cent should be the ceiling for the unemployment rate in Canada. A figure that is almost twice that is surely catastrophic enough to move even the present Minister of Finance. I read a speech of his, Mr. Speaker, and I cite this not because it presents a solution but as an example of the muddy and incomprehensible thinking of a very important Minister of the Crown. I read the text of a speech of the Minister of Finance to the Canadian Club in Toronto. In this speech the minister said, "While unemployment has been higher than we would like, it can now be seen more clearly as a reflection of the rapid growth of the labour force rather than as a result of slow rate of job creation." What in heaven's name does the minister mean by that? Job creation must be related to the size of the labour force. If the size of the labour force increases more jobs have to be created. When this is not done it is a reflection of a low rate of job creation. This is the kind of thinking which has caused our present very serious difficulty.

This government has deliberately pursued policies to increase unemployment and has pursued these policies on the basis of an outdated and false concept; that is, in order to avoid inflation if you increase unemployment, you will accomplish your objective.

We in this corner of the house have said on many occasions that this is a false theory; that in effect prices are no longer subject to the ordinary rules of the market. You cannot control prices in the country by increasing unemployment and hope that a decrease of aggregate demand will serve the purpose of lowering prices. This is simply not relevant to a modern economy and that is why this country now has the worst of both worlds. It has

an unacceptably high rate of unemployment and an unacceptably high rate of inflation, both at the same time and both as a result of the same policies. I say the government has deliberately brought about these conditions, Let me indicate just a few points which support this proposition.

As has been pointed out, there was a cancellation of the winter works program on the ground that the program was abused. To my knowledge the program was not studied by a committee of this house. No report was published, no evidence given and no information was supplied to this house, to the municipalities, or to the people of Canada. We have no knowledge that in fact it was abused, the extent or ways in which it was abused. There was no information whatever given to parliament, the country or even to the municipalities involved. Suddenly one day an announcement was made that the program was cancelled because it was abused, with no alternative program presented.

I do not know of any other action which demonstrates the total lack of concern and appreciation of the problem of unemployment during the winter months than that action by the government. I would like to know to what extent the program has been abused. I can think of one or two ways it may have been abused to some extent. However, I have seen no evidence, nor has this house or anyone else in Canada, that this program was abused or that the government was justified in increasing unemployment in the urban centres of this country by the total and complete cancellation of that program.

We have been told that the alternative for the winter works program would be action by the Department of Manpower and Immigration. The Minister of Manpower and Immigration (Mr. MacEachen) is in the chamber and I challenge him to rise in his place during this debate and tell this house what his department has done, even one little thing, to deal with the increasing rate of unemployment in Canada. I say, Mr. Speaker, his department has done nothing to deal with the situation! As a matter of fact, according to a recent story in one of the newspapers, the grants for vocational and manpower training have recently been cut by millions of dollars or have been brought down to a low figure. No program of training can deal with the unemployment situation in Canada.

There is a substantial proportion of unemployed people who do not have the education or skill required to take advantage of the training program. As a matter of fact, some 24 per cent of those unemployed in December had been unemployed for four months and were unable to take advantage of the training program. It is obvious the training program can meet some problems and present opportunities for some of the unemployed. It is equally obvious that anyone who talks about the training program meeting the problem of unemployment is deliberately misleading the people or simply does not know what he is talking about.

Another way the government has deliberately increased unemployment in this country, Mr. Speaker, has been by cutting back on government capital expenditures. I will deal with some general philosophy with which perhaps the members of the Conservative Party may not be entirely in agreement. It is not in a time of high unemployment that you cut back government expenditures. It is precisely at that time that you try to maintain or even increase the rate of government expenditures, particularly if they can be increased in areas which have a multiplier effect on the economy.

Today, we had the tabling of a report on housing. I do not want to deal with the contents of that report, but it does disclose that there is a critical need for housebuilding. As one travels across this country speaking at universities, it is obvious the facilities of the students are criminally inadequate. The buildings, opportunities and facilities for research are insufficient. Even the number of books in the libraries is inadequate. There is a tremendously critical need for added expenditures for the construction or expansion of universities and colleges. In this field of construction this winter the government could have stopped, or lowered the rising unemployment rate to the 3 per cent or less, which is the figure the Economic Council of Canada advises is the maximum we should tolerate.

If the government had the imagination to make available large sums of money for the construction of homes and educational facilities across this country, they would deal with the unemployment problem in a very immediate and practical manner.

• (4:20 p.m.)

Instead of that, public expenditures were cut and taxes were increased, both of these steps impinging upon the ordinary working people of the country. This lack of understanding of modern economic theories, this

total rejection of the government's responsibility to maintain full employment I suggest is tragic not only to the people who are affected but it is also a severe blow to the unity of the nation, as I have pointed out on many occasions and as the Leader of the Opposition (Mr. Stanfield) emphasized today. Although we have a seasonally adjusted figure of 4.8 per cent unemployment across Canada in the middle of December, we have a figure of over 7 per cent in the Atlantic provinces and about 7 per cent in the province of Quebec.

If we are to go by past performances, I draw your attention to the fact that in January 1967 and January 1968 the unemployment figures across the country generally, but particularly in the Atlantic provinces and in the province of Quebec, were much higher than they had been in the preceding December months. I forecast, if I may with some trepidation in case I am proven very wrong, that the unemployment rate in the Atlantic provinces for this month of January may go to 10 per cent, 11 per cent or even 12 per cent seasonally adjusted, and that it will go to 8 per cent or 9 per cent in the province of Quebec. I forecast, too, that unemployment across Canada will be more than 5 per cent.

How then can one expect to eliminate the feeling of abandonment which people in the Atlantic provinces have, which sections of the province of Quebec have, which indeed sections of the province of Ontario have? If you go to some of the northern communities in this province of Ontario you find that the local rate of unemployment is much higher than the average national rate. How can one avoid giving those people a feeling of abandonment, a feeling of grievance against our community and our society, by policies of this sort?

And in that total picture I also want to add, because I think it is relevant in the year 1969, that you have the young people of Canada unable to find jobs during the summer in order to help them pursue their education. Those who are badly off and who need to supplement the little income they have are unable to find jobs during the winter. These young people have been unable to obtain the scholarship money which had been promised, and yet people condemn the young people on the campuses and all over the country for feeling desperate and alienated; for taking actions of which I do not approve, of which no mature person can approve, but actions which are totally explainable in the terms of the abandonment which they suffer at the hands of governments across this country, and particularly and especially at the hands of the federal government.

In the last few minutes at my disposal this afternoon, Mr. Speaker, I want to say to my hon. friend the Leader of the Opposition, whom one learns to like more and more as one gets to know him more, that in my estimation he would not improve the situation any more than the present government has done. I want to point out that the policies which are supported by both traditional parties in this country invariably lead to the kind of situation in which we find ourselves today.

An hon. Member: And have had for 100 years.

Mr. Lewis: We have had, as one of my colleagues mentions, 100 years of them, and we have always had this kind of situation.

Mr. Lambert (Edmonton West): Tell us about Saskatchewan.

Mr. Lewis: Unemployment goes up and prices continue to go up as well. The reason for that, and I suggest that hon. members consider my proposition seriously, is that the corporate power in this country at the present time controls the market, controls the prices, and through undistributed profits, retained earnings, controls the largest part of the investment pool of this country. The result of this is that there is no allocation of investment, that there is no direction of the investment that takes place.

I put this proposition to hon. members of the Conservative party who represent constituencies in the Atlantic provinces, that the problems of regional disparity will never be solved in those provinces until all of us are prepared to accept a massive role by government in direct public investment, in public investment joined with private investment if that is desirable, in order that there be some priority to investments in this country. We have to accept a massive role by government in order that we do not have large office buildings going up while housing stands still, or the building of service stations across the country which are totally unnecessary or duplications of services already existing while other construction does not take place. These things occur at a time when it is still possible for a company to come to this House of Commons asking for an increase in its capitalization of hundreds of thousands or of millions of dollars, and members of the two

established parties are prepared to let them have this added capital.

Where would this added capital come from is a question that has been asked in this house. It would come from the same market in which the government has to raise its capital. Everybody in the Conservative party and in the Liberal party thinks there is nothing wrong with private insurance companies and private loan companies getting more capitalization. There are companies whose services are not indispensable to the people of Canada, whose services really result in straitjacketing more people into a long and binding debt position from which they will never emerge. But when you say to the government and other hon. members of this house that it is necessary for the government of Canada directly to invest hundreds of millions of dollars in order to build factories, in order to build secondary industries, in order to build tertiary industry to provide employment for the people of the Atlantic provinces, you are a raving mad socialist. Well, if that makes me one I am glad that I am one.

In my opinion you cannot control inflation in this country unless you are prepared to have the courage and the imagination to take some direct action, subject to the problems of the constitution which of course I know about, to say to the large corporations which increase their prices to no purpose that they must invest for social purposes also.

There is not a single corporation of any importance in Canada at which I have looked whose profits have not been immense in 1968, large in 1967, too large in 1966, and whose profits will probably be just as large in 1969. From where does this profit come if it does not come out of unjustifiably increased prices?

I am sure that my injunction is not going to stop anyone in this house rising in his seat to say that this was the hon. member for York South spouting the old cliches of the socialists. I say they are not old cliches. I say they are as valid today as they have ever been. Indeed, the need for public responsibility, for public investment and public involvement to meet problems of unemployment and problems of regional disparity is greater than it has ever been before. There is no other way in which these problems can be solved.

I do not want to give the impression, because I do not intend to, that I would be able to solve all these problems by waving a wand and in 24 hours implementing some of the policies I have sketchily outlined, or that

then the economy of the country would fall into place. This of course would be totally irresponsible. I appreciate that the development of these policies would require time but I am struck by the fact—and this is my final point before I move the amendment I said I would move—for example that there is one agency which the Liberal party has suggested to the country is necessary. I may say, too, Mr. Speaker, this is an agency that the N.D.P. proposed at its founding convention in 1961. The one agency which the Liberal party has suggested to the country is necessary in order to garner savings and in order to promote proper investment, namely, the Canada Development Corporation, was first proposed in 1963, if I remember correctly and correct me if I am wrong. The reference to this agency has appeared in every throne speech that successive Liberal governments have presented since 1963. We have again been promised such an agency this session, but we have not seen it yet.

The point I want to make, Mr. Speaker, is that one of the major ways in which it would be possible for the government to meet the problem of unemployment and to meet the problem of regional disparity over a period of time would be to set up some kind of organism through which the government would garner the savings of the people. Then, through that agency if necessary, the government could compel existing lending and investing institutions to invest some portions of their available funds in that agency so that the government would have at its disposal a large pool of investment capital to do the things that need to be done for the people of Canada.

• (4:30 p.m.)

This is characteristic of the Liberal party and its government. The new government has made no change so far. One of the most important policies it had to present to the people of Canada is still on the shelf. I suggest it is on the shelf because the implementation of that policy would mean a challenge to the seats of economic power in Canada and this Prime Minister's government is no more ready to challenge those seats of power than was the preceding prime minister's government.

In conclusion, I should like to say that I think the unemployment situation in Canada can be explained only by the insensitive unconcern of this government. I say it is the result directly of the government's policy and that the government has deliberately planned

it. No words of mine or anyone else's can adequately condemn the government for this sort of thing.

I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the motion be amended by adding at the end thereof the following words: "and that, instead, the government has slowed down public investment and has pursued fiscal and monetary policies deliberately designed to increase unemployment".

[*Translation*]

Mr. G.-A. Gauthier (Roberval): Mr. Speaker, I am pleased to avail myself of this opportunity to say a few words on the amendment moved by the Progressive Conservative party, which reads as follows:

That this house regrets that the government is not presenting programs to achieve a rate of economic growth which will reduce unemployment and also ensure that the economy will be able to absorb the large number of new entrants into the labour force this year.

That motion, Mr. Speaker, deals with two specific matters: reduce unemployment and absorb the new entrants into the labour force this year.

I am pleased, Mr. Speaker—and I wish to emphasize it—to see that the Minister of Labour (Mr. Mackasey) is here, as there is something we have wanted to tell him for a long time.

We could write to him but it seems to me that when he is in the house, when he appears in public to the knowledge of everyone, it has a different effect not only on the minister himself but also on the whole staff of his department. I believe it prompts officials to find more realistic solutions, for if I have any critics to make this afternoon, I should like them to be most constructive. Indeed, I should like to offer suggestions, not only critics. I should like especially to suggest to the minister and to the department a few solutions to certain cases.

I intend to speak mainly about my riding because they are mainly cases I come across during the Christmas holidays. All hon. members probably had the same experience. There are many unemployed in my area as well as in the whole a Quebec. Well, as a matter of fact, I hardly took a day's rest during my vacation. The rest of the time, I spent in my office, even on Sundays, seeing people out of work.

They were all lining up in quest of information, inquiring about this or that form. I could not help thinking that, if the government fails to take action, hon. members should have in their own office a full time representative to act as an agent of the unemployment insurance people.

Unemployment is growing and, to provide it, I will read a few excerpts from an article published on January 24, 1969, under this heading: Unemployment. It was written by a chap who is very well known in the House. I quote:

160,000 unemployed in Quebec.

That is an impressive figure indeed.

Out of six million inhabitants. Don't you think it is too much? It comes close to being the highest total in industrialized countries.

There was a time when we had winter works but they went down the drain.

There was a time when we had $500 allowances to build houses in winter, but they went down the drain.

There was a time when we had premiums for hiring unemployed people over 45, but they went down the drain.

The only thing that didn't come down is the number of unemployed. No wonder: our governments are much too busy elsewhere.

Yes, indeed, we have two governments, one in Ottawa and one in Quebec. They are so busy fighting each other, quarelling, bickering, that they just don't have the time to think about the unemployed. We have two Ministers of Labour, two Ministers of Public Works, two Ministers of Manpower, one in Ottawa and one in Quebec, with the result that there is nobody left to bother about the unemployed. Besides, how could they find the time? They are too busy tearing each other apart.

It is indeed a mad game, that game of two governments.

If only they complemented each other, but no, they destroy each other.

Mr. Speaker, I have no time to read the whole article but that gives you an idea of the climate in which the workers in Quebec live. I think that reflects faithfully the opinion of the workers in Quebec, in general.

Mr. Speaker, there are many unemployed people in my constituency. I think that if we do not break the record it is because the Maritimes are still in a worse position than we are. In my constituency, the percentage of unemployed people is very high. The government often says, when we talk about the high percentage of unemployed, that it is the result of the newcomers on the labour market.

Mr. Speaker, I intend to deal with two distinct subjects: unemployment and the labour force.

Alleged Failure to Reduce Unemployment

• (4:40 p.m.)

The fact is that in my riding as in other parts of the province of Quebec and throughout Canada, there are three categories of unemployed: those who are registered, those who are waiting to be registered and those who are not registered.

The official statistics on the percentage of unemployed take into consideration only those who are registered for unemployment benefits. That is the reason why I strongly dispute the accuracy of these reports, because an unemployed worker who is waiting for permission to receive benefits is unemployed as much as the one already in receipt of them. Furthermore, the one who has not enough stamps in his book, not being registered, is more truly unemployed than the first two.

That is why, when speaking about unemployment, we must always include the three above-mentioned groups in order to assess accurately the increase of unemployment in a given area.

When registered unemployed have met the statutory requirements, everything is all right. However, those who are waiting—and it is on that point that I draw the attention of the minister—have registered with the regional office by letter. Now a letter may take two or three days to reach Chicoutimi; we must apply to the Chicoutimi office; because all unemployment insurance offices have been closed in our communities. The officials at that office have to get in touch with the head office in Montreal, and that may take a few days more. When the answer comes, sometimes a small detail is missing and everything must start again from the beginning.

During the Christmas season, I have seen—and I am not speaking through my hat—people who had to wait five or six weeks before being advised whether they qualified or not for unemployment benefits. I think a change is imperative.

The government thought that general centralization in Chicoutimi was the right answer. When previously we had Unemployment Insurance offices in Dolbeau, Roberval and Saint-Félicien, now everything is centralized in Chicoutimi. When the case is too complicated, the unemployed are told: "Come and see us." They must then travel 125 miles, in order to find out whether they will be given $35 or $36. This is not funny for the poor guy who has not earned a cent for the last five or six weeks. He has to go either by taxi—because he has no car—or by bus, in order to see those people and explain his case to them. Incidentally, I wish to point out that the people in charge, in these offices can not be blamed. I have met all these people during the Christmas season I have even contacted the authorities in the Employment offices. They are all full of goodwill. However, there is something wrong with the system. They say so themselves. It is imperative that the system be improved because distances are too large and communications too slow. And so, the unemployed worker feels cheated for two, three, four or even six weeks, and thinks of his family which must be fed.

Mr. Speaker, wonderful suggestions have been made to me, especially at the Employment Offices level, because in our areas we still have three Employment Offices, and I have passed on those suggestions to the hon. minister.

I think that the best suggestion made to me was that the minister consider the possibility of posting someone in each of the employment offices of the Unemployment Insurance Commission, an employee whose office would be located in that of the Department of Manpower and who could each day get in touch with the head office.

It would not require the rental of offices nor additional expenses. One or two employees of Chicoutimi could visit once, twice or three or four times per week the offices of Dolbeau, St. Félicien or Roberval and that would considerably improve relations with the unemployed.

I have spoken about the matter with the representatives of Chicoutimi and those of the Department of Manpower whose offices are now vacant. There are three in Dolbeau with telephones and all required means of communication. Now, they are only used on certain occasions to receive people from Chicoutimi who come two or three times. It would take at least five or six months to correct that situation which I feel is now quite bad. Indeed, as soon as I arrive in my constituency, my home fills up so that on a single Sunday afternoon, I had to deal with 52 complaints.

Mr. Speaker, it shows the extent of the work which must be done in those unemployment insurance offices of our areas. I like to welcome people and to help them, but I would rather not perform the work of civil servants. I know that this is the job of public employees and I am sure it has been brought

to the attention of the hon. minister, because he has received letters in that regard, I have also received protests. I shall read only this one here, so that I do not take too much time.

Not long ago, the municipal authorities of St-François-de-Sales sent me the following resolution in protest against the situation:

I am writing personally because the situation has become alarming in my riding of Roberval.

The copy of the resolution of the Municipal Corporation of St-François-de-Sales, enclosed, expresses the feeling of all workers in Roberval riding, since the unemployment insurance office was moved to Chicoutimi.

Please note that I do not blame the employees, who have done all they could to eliminate the delays which affect the unemployed.

I raise the matter for one reason only; to find a way of improving the service of that office.

In that respect, may I submit a suggestion made to me by the officials of the manpower centres of Dolbeau and Roberval, that is to have an official of the unemployment insurance office—

The municipal authorities of Félicien have sent me a copy of a resolution passed at a meeting of the municipal board. I quote:

Considering that many citizens of St-Félicien have complained of considerable delays in the reception of their unemployment insurance benefits;

Considering that since the closing of unemployment insurance offices in Dolbeau and Roberval, they have no means of accelerating the reception of those benefits;

Whereas the St-Félicien City Council was under the impression that those offices had been closed down with a view to improving the efficiency of that service;

Whereas the council members now wonder whether or not the closing of those offices really gives the expected results;

As far as efficiency is concerned, I am not ready to disapprove the objectives set by the minister and his department because I believe some concentration is necessary in an area so that all information may be gathered and all unemployment insurance books collected. But I believe that their present suggestion to appoint a representative in every manpower office is logical.

● (4:50 p.m.)

I am convinced that the minister, judging by the replies he gave me, will seriously consider the matter, and I would not be surprised if he complied with the recommendations of the office heads who have been in charge for a fairly long period of time and who know which reforms are more likely to increase the efficiency in their area.

I should now like, Mr. Speaker, to deal with the second part of the motion concerning the absorption of new entrants into the labour force. What steps did the government take in an attempt to absorb those new entrants? It is up to us to prepare the way for these young people who have sacrificed everything, who are getting an aducation and who have spent several years of their life acquiring more skills.

What does the government do at the primary and secondary levels of industry? I believe they are, at the present time, the only two markets to which the government should give full support in order to guarantee jobs to the hosts of young people who will join the labour force tomorrow.

At the primary level, there is still much to be done in Quebec. As far as the secondary level is concerned, everything remains to be done, I think. First of all, the government should stop emptying the pockets of small industrialists in order to give them a chance to expand their industries. I often hear departmental officials and the minister himself say one must invest. As far as savings are concerned, Canadians must invest. Yes, under the present system, we are not through stressing that need because all the time the governments are urging people to invest, they are emptying the pockets of those who should invest.

Mr. Speaker, how can you expect that an individual will invest $2,000, $3,000, $10,000 or $20,000 in a new industry when he pays that much a year in taxes? When one has deducted his taxes—I know what I am talking about, since I have been a merchant for thirty years—there is nothing left. After that, how can one invest? We are urged to invest. Well, the government ought to stop emptying the pockets of the eventual investors.

I believe that if we fail to develop our secondary industries, there is no point in having our children attend technical schools. Their education only leads them across the border.

Mr. Speaker, that is where the problem lies. In my opinion, the government has qualified technicians in that field to make a complete study. I will add that if the government takes the trouble and if the Minister of Finance (Mr. Benson) stops bleeding the people and gives them a chance to help one another, the problem will disappear.

There was talk of foreign aid; that is all very well and I am for it, but charity begins at home. I do not know if once and for all we can put that into our heads. Our government should start by strengthening our industry, helping secondary industry, developping it as much as primary industry, in order to give

work to the people who will soon be on the labour market. In my opinion, that would be very beneficial to our country. We must not only think of taxation.

Mr. Speaker, when I meet workers, farmers or wage earners who make just enough to live, I find it difficult to understand how it is possible to tax them. The necessaries of life are being taxed. The taxing of luxuries is immaterial but now even the necessaries of life are taxed. And those poor people are told: "You do not invest, that is why we are not getting anywhere".

Well, there is a great deal of unrest, and not in the lower layers of society. It prevails at higher levels and the ministers know it very well. If the Minister of Finance wanted to be frank, he would tell us to what extent he is the servant of those trusts which are crushing our population today. He knows it, but he cannot talk. People today tend to rebel, especially the younger ones, because our generation is less rebellious since they are used to be pushed around. But the young people today are more aware of the problem. They are more revolutionary than we are because they are more reluctant to live like outcasts in an affluent country. I think the government has something to do and must seriously consider the matter. It must stop dealing adversely with the economy. I have been told that the economy should always promote the welfare of the population, rather than the interests of the trusts of the country. When we decide to achieve the proper goal of the economy, especially as far as the human being is concerned, we shall then be able to say that we have a democratic government and that we can at last live in a better society.

[*English*]

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, faced with an amendment to the motion, I would like to say just a few words on the amendment. I think I speak not only for myself but for all members of the Liberal party when I say that this government at no time in its fiscal and monetary policy has deliberately set out to increase unemployment as a solution to the problems that face this nation. I think there is nobody in this house, let alone in this party, who appreciates unemployment. It exists. It is something with which we are occupied. It is a problem about which we are determined to do something. It is such a grave and serious problem that we are determined to have the courage to introduce permanent solutions to unemployment rather than ad hoc solutions that are designed more to alleviate the plight of the unemployed, to provide them temporarily with financial assistance. I will have a little more to say on that point, Mr. Speaker. But I think I should make it very clear that nobody in this government has any objective in mind other than to reduce the incidence of unemployment.

A great deal has been said today by the Leader of the Opposition (Mr. Stanfield) and the official spokesman for the New Democratic party about unemployment. If you were a newcomer to the house and were sitting in the gallery, you might have been left with the impression that unemployment was something we had deliberately created, or that had never before existed in the economy of the country. So, this afternoon I took the trouble to look at the relevant unemployment figures. I found to my amazement that 1963, the very best year when the Conservative party was in power, was worse than the worst year under a Liberal regime since 1963.

Some hon. Members: Hear, hear.

Mr. Mackasey: I have here facts and figures to substantiate this statement. I dislike statistics, but they have been used in quantity today so I will put these figures on the record.

• (5:00 p.m.)

In 1958 the rate of unemployment in Canada was 7 per cent; in 1959, 6 per cent; in 1960, 7 per cent; in 1961, 7.1 per cent; in 1962, 5.9 per cent. In 1963, we reduced those figures to 5.5 per cent; in 1964, to 4.7 per cent; in 1965, to 3.9 per cent; in 1966, to 3.6 per cent; in 1967, to 4.1 per cent; in 1968, to 4.8 per cent. These are the figures of the Dominion Bureau of Statistics, and I think they speak for themselves. I must emphasize that the lowest figure between 1958 and 1962 was 5.9 per cent.

We came to office in 1963 face with that challenge. The Liberal party having successfully rectified the situation then is quite capable of doing it again under the dynamic leadership of the present Prime Minister of Canada.

Allusions have been made today, with a great degree of validity, to the plight of the maritimes. I have a tie with the maritimes; it is not a strange land to me. However, I would like to read the record of unemployment in the Atlantic regions between 1958 and 1962. I

know the Leader of the Opposition was very familiar with the problem of unemployment in the maritimes during those years. In 1958 the rate of unemployment was 12.3 per cent; in 1959, 10.9 per cent; in 1960, 10.5 per cent; in 1961, 11.2 per cent; in 1962, 10.7 per cent. When the Liberal party, under Mr. Pearson, came to office, we reduced unemployment in 1963 to 9.5 per cent; in 1964, to 7.8 per cent; in 1965, to 7.4 per cent; in 1966, to 6.4 per cent; in 1967, to 6.6 per cent; and in 1968 it went up half a point to 7.3 per cent. Let me point out again that in 1968 it was 7.3 per cent as compared, for instance, to 10.7 per cent when we took office in 1962 and to a high of 12.3 per cent in 1958. Again, this speaks well for the ability of the Liberal party to cope with the intolerable problem of unemployment.

Nobody is happy with unemployment. No one in this party says that 2, 3 or 4 per cent of unemployment is acceptable. Nobody that I know is quite that callous. But if we are going to be blamed for unemployment—and that is fair game because this is a debating arena, which is as it should be—if we are going to be accused of not providing enough jobs, then by the same token we should be given credit for the jobs that have been provided. Here I have some specific statistics which I am sure hon. members will wish to peruse at their leisure. In 1962, the total labour force totalled 6,615,000. In 1968 there were 7,919,000, a total increase of 1,304,000 people in Canada. We were able to find 1,312,000 jobs, thus reducing the rate of unemployment by almost 50 per cent of 1962. If we are to be blamed for not finding enough jobs, then I think we should be commended for finding over 1,300,000 jobs to look after the ever growing labour population of this country.

How were these jobs generated? There is no use for the Opposition or the New Democratic party saying that it was an accident and that these jobs would have become available by themselves. If we are going to use that argument, and it is said you cannot control the fabrication of jobs, then we cannot be accused of not providing sufficient jobs. We cannot have it both ways, as the New Democratic party seems to want.

If time permits I may point out that between 1963 and 1968 we did a lot of things in this party to create jobs. We are faced with the fact that Canada's problem is unique in the western world if only because of its vast size, the geographical problem of the Atlantic region and the western areas. The fact that we are underpopulated is a fact of life. So is the fact that we thus cannot generate a large domestic market and thus we must compete at a growing pace for exports, despite the fact that we have the tremendous problem of transportation in a country of this dimension.

We set up the Economic Council, to which everyone in the house alludes as to a bible. It is a source of reference probably for most of the speeches that have been made or will be made in this debate. It was the foresight of the former prime minister, Mr. Pearson, to establish this council and to name the responsible people which form it. Then, we were able to set up the Department of Industry, Trade and Commerce which, for instance, had enough foresight to establish the auto pact which in turn generated directly almost 50,000 jobs and God knows how many jobs indirectly in this country. Yet the New Democratic party and other members of the house accuse us of having no vision and of not planning for tomorrow or for the next day. We put some money into the Atlantic Development Board which had not been done before, in fact $100 million more than had been made available. We activated the FRED program, and we gave ARDA new dimensions and a new scope. We took an exceptionally fine idea and we applied it to regional programs. All these things have resulted in one million and three hundred new jobs. But we have done more than that. We have analysed the reasons for unemployment. This is very important. I have some statistics which would be useful to members of the house who are objective about the problem of unemployment. We set up the Department of Manpower as distinct from the Department of Labour and we did this for a good reason. It was very obvious to those people who studied the problem of the chronic unemployed and who realized the geographical problems of this country that to a tremendous degree, Canada was suffering from a lack of money in the field of education during the depression days and this has affected, more than people realize, those who are out of work today in the 50 and 55 age bracket. These people were not able to continue their education during the depression. They then served the country in the war years and now are faced with the uncertainties of technological change and the insecurity of jobs disappearing overnight.

Those people are not armed with the basic education needed to adjust to the new industries that spring up as a result of those same technological changes. Realizing the needs and complexities of this country and realizing

that unemployment is, to a great degree, a geographical problem, or at least that geography adds so much to it, we promised in the election campaign—and we are carrying out that promise—to set up a department of forestry and urban redevelopment primarily to deal with the particular and unique problems of people who because of the size of this country are so far away from the main stream of industry and from the central provinces of Ontario and Quebec. Their problems require special attention. If I may pay a compliment to a particular colleague, I may say that I know of no minister better suited for this particular job than is Jean Marchand because of his labour background and because of his ability.

• (5:10 p.m.)

I could go on and on, but most members are aware of all these programs and it would be a very partisan member indeed who would not care to admit that the foresight in setting up the Department of Industry and the Department of Manpower, the foresight of entering into the auto pact—though the move was widely questioned at the time—has been abundantly justified in terms of jobs for the workers of this country.

The Economic Council has again drawn attention to some of our problems. I do not wish to keep repeating them, but as I pointed out earlier we must continue to export and we are meeting increased competition from other industrial nations of the world, such as Japan, Sweden, and from Britain with its devalued pound. What has been our record in this field? It is all very well for the Leader of the Opposition (Mr. Stanfield) to talk as he does. He is an astute politician. I recognize some of his ploys; I have used them myself on occasions. He has noted our activities in the field of trade and commerce; he has said that next year might not be such a good year.

I have looked carefully over the record for the six years during which this government has been in office. In fact, I went back to 1961, because in all fairness I think the momentum may have begun then. In 1961-62 there was an increase of 8.2 per cent in the value of our exports. In the following year, the increase amounted to 10.3 per cent. In 1963-64 it was 16.1 per cent, in 1964-65 it was 6.5 per cent. In 1965-66 the total value of our exports increased by 16.5 per cent, and in 1966-67, by 12.3 per cent. The indication at the end of the first nine months of 1967-68 is that the value of our exports was almost 14 per cent higher than in the comparable period

of the preceding year. So, here again we have not only met the objective set by the Economic Council but we are surpassing it.

I say to prophets of gloom and doom that this is one psychological weapon we can do without for the next few months. There is an old saying about figures that is there are statistics, statiticians and liars, in that order. We can look at statistics and become very optimistic, if we want to. We can look at the same statistics and be pessimistic. In recent months some newspapers, perhaps using statistics of the dominion bureau, have printed somewhat pessimistic headlines.

For my part, I do not think I can be blamed if my attention was attracted to an article written by a young lady—I assume the author is a young lady—called Judith McMahon. She used the same statistics but instead of publishing the figures of the labour force without analysing them she went to the trouble of analysing the monthly statements of the Dominion Bureau of Statistics. She analysed unemployment weighing regional factors and seasonal factors—students going back to their studies, fishermen who are normally laid off in winter—and wrote an article which appeared in the Ottawa *Citizen* on December 13 under the heading: "Boom is Opening Up Jobs". I was attracted by this headline. I got hold of the same sources of reference and studied them. I suggest that all hon. members should do so, because I do not think I could do justice to this article if I were to try to read a lot of statistics into the record. The author did draw attention to something of distinct importance. She wrote:

> A general rise in economic activity has opened up thousands of new jobs in trade, services, manufacturing and public administration. Some of the laid-off workers who frequently do not work all winter were able to find jobs in these industries.

If one takes the trouble to look at the statistics on a regional basis, this is precisely the fact. True, the overall picture is not as bright because of increased unemployment in certain other areas. I thought, then, that since we are at the beginning of a new year and since there are some fairly accurate year end figures now available I should, as Minister of Labour and as a member of the cabinet, ascertain where the problems are most acute in order that we might perhaps do something about them. I found, for instance, that the number of unemployed in the Atlantic region increased during the whole year by only 3,000. That is an optimistic way of putting it; it

is no consolation to the 3,000 people concerned. But it does represent an almost stable situation.

In Ontario, despite the fact that the labour force grew by 99,000, we were able to absorb not only the 99,000 but 4,000 of the unemployed. On the prairies, significantly, there was no change at all. Sixty thousand entered the labour force and 60,000 found jobs. In British Columbia, 38,000 entered the labour force and 43,000 found jobs. In Canada generally, 243,000 people entered the labour force in 1968 and 223,000 found jobs. I have left out one province, but I shall refer to that later. In other words we were short by about 20,000 jobs. That is not really a bad record when one considers that in 1968 was a "catch up" year after the centennial, after the flurry of EXPO and the boom in the construction industry in the greater Montreal area.

Now we come to the one really black mark. I am not going to draw any conclusion as a Quebecer; let others do that. But in the Province of Quebec, 51,000 people entered the work force for the first time and we were able to find in that province only 25,000 jobs. In other words, 26,000 more people were unemployed in the Province of Quebec than at the beginning of the year, though there were only 20,000 more unemployed across the whole of Canada.

It goes without saying that had we been able to balance the figures in Quebec we would have reduced unemployment across the whole of Canada. What are the factors which have generated such a degree of unemployment in my own province? Some people would write it off by saying "separatism". I do not believe it is separatism; I believe international corporations are too callous to be concerned about domestic problems. But uncertainty is one of the factors—lack of leadership, lack of strong statements by Quebec leaders both Liberal and belonging to the Union Nationale. Either they intend to stay in confederation or they intend to get to hell out of it. Unless they know the situation investors are not going to spend money in the province when they can spend it in other parts of Canada where the economic climate and the political situation is more stable. As a Quebecer I would have no hesitation, if I had a million dollars to invest, about investing it in Quebec because I think the results of the last election show without a shadow of a doubt that the overwhelming majority of the people of that province, both French speaking and English speaking, intend and wish to remain in confederation.

Capital, however, is a very flighty thing. It fears socialims. It fears the uncertainty of the situation in Quebec just as much. So I suspect that when the uncertainty in Quebec has disappeared, perhaps as a result of some strong statements by the political leaders of that province—and I have confidence in their integrity and in their loyalty to this country—the climate of uncertainty will disappear and the capital needed to generate more jobs will be provided in increasing abundance. If that is not the explanation of the situation in Quebec, I am not prepared to say what is. The facts are there and hon. members can read into them precisely what they will.

• (5:20 p.m.)

There was an increase in the total labour force of 51,000 in Quebec. In spite of 25,000 jobs being found, unemployment increased by 26,000. This is a disastrous situation and, as somebody in this debate said, it weakens confederation. Unemployment generates dissension, resentment, lack of morale, frustration, fear and uncertainty. These things warp our good sense of judgment. They are things that make the labour force of Quebec susceptible to separatism or other ridiculous philosophies.

We all have a stake in the province of Quebec, not only the Quebeckers. We should all be interested in keeping the country together and in seeing to it that money goes into the province. When we vote moneys for capital expenditures in the Quebec regions, as we will have to do, I will look upon them as an investment in the future of this country.

As usual I wandered away from my notes but I do want to put on the record some statistics in which I think everyone should be interested. I have before me a breakdown of unemployed groups by occupation. Needless to say, not every group is below 5 per cent. The office and professional class represents 1.7 of the unemployed; the transportation, service and recreation, primary and craftsman, production and related workers are all around 5 per cent. The craftsman group is 5.4 per cent. However, the labourers represent 13.2 per cent of the unemployed.

I should like to couple with this the age groups of these people who are unemployed. We find that 9.1 per cent are between the ages of 14 and 19. That, I think, is a pretty sad commentary not only on the federal government, but on the provincial governments, the municipalities and civic authorities, all of whom should realize that people between the

ages of 14 and 19, people facing the problems of technological change and attainment of the skills required for the future, should be at school instead of seeking work.

Those between the ages of 20 and 24, people who are presumably just leaving high school, represent 6.1 per cent of the unemployed. Those between the ages of 25 and 34 represent 3.7 per cent; those between the ages of 35 and 44, 3.6 per cent; between the ages of 45 and 54, 3.5 per cent; between the ages of 55 and 64, 4.6 per cent. Finally, those over 65, people who consider themselves employable and want to continue working, represent 5.9 per cent of the unemployed. This balances out to around 4.7 per cent.

I should like to make a point made often by the Economic Council. The word "productivity" seems to dominate each one of the five issues. Productivity is supposed to solve all our unemployment problems. I agree that the word is very important in today's context, because without increased productivity we cannot meet growing competition from countries that do have a greater productivity than we. It is not that our workers are less capable or less skilled; on the contrary, everything being equal, they have shown their ability to produce quality and numbers as well as any other country.

As a result of technological change and automation it is possible to reduce a work force from 100 to 10 and double or even triple productivity in certain highly automated industries. Whether or not we like it, the age of cybernation is not too far away and we have got to start thinking about it. Those who are somewhat more reactionary than others should not get too excited if sooner or later workers in these highly automated industries start talking about shorter hours, a shorter work week. This will not be the end of the world because ironically, and perhaps fortunately, this does create new industries, industries that in the final analysis may be the solution to the problems of people in certain parts of this country and in the United States where geography plays such a big role in unemployment. A shorter work week would create more leisure time, which in turn would create new industries. For example, I think of snowmobiles, outboard motors, tourism—hon. members know them all.

The biggest mistake we could make in this country would be to ruin some of the beauty spots in this great country of ours by forcing industry into areas which cannot support it under normal circumstances. Perhaps in five, 10, 15 or 20 years' time these unspoilt areas of Canada will be our greatest investment and source of wealth, the basis of a tourist industry that invites Canadians to travel and discover their own land.

In conclusion, as a member of the cabinet I view the unemployment figures with concern. Tomorrow the minister of manpower will be dealing with them and with some of the progressive steps that he has taken to alleviate some of the problems I have outlined, such as education, vocational schools and retraining. The minister of forestry and his department are looking after the particular problem of regional development. But the one thing that none of us wants is a doom and gloom philosophy, because psychologically that is not good for the economy. We will not solve our problems by whistling in the dark. Neither will we solve them by being continuously pessimistic about our ability to work ourselves out of the problem of unemployment. In 1963 we faced the same problem and solved it. We are facing it now and in a comparatively short time will solve it once more.

I listened to the speech of the hon. member from the New Democratic party and I did have a lot of wonderful notes to refer to but will not bother because I realize I have spoken long enough. He said nothing that was very significant. I do not say that in an abrasive fashion. However, I was rather pleased to see a subtle change in his approach when he suggested a shift from socialism to a more liberalized economy. After telling the Liberals and Conservatives that we did not have the answers, the hon. member went on to say that what we required was government capital and planning mixed with amounts of private capital.

I do not think that this approach is any different from the approach we have taken for some years. Certainly this was the formula that led to the great petroleum boom in the north and is a philosophy that both major parties have endorsed for many years. If our good friends in the New Democratic party are finally coming round to the more enlightened philosophies of the Conservatives and the Liberals, then I am very pleased to see it. However, if they are not—as I rather suspect is the case—then I hope they will not suggest that we adopt a pattern that is now being proposed to solve current problems in England.

The Labour party in England has had a wonderful opportunity to do something for a

country that has been in bad financial straits. The editorial that appeared the other day in the Toronto *Star* is an indication of what the Labour government intends to do to labour in England. The article to which I refer is headed "Labour government cracks down on labour". It points out that there will now be a "cooling off period" of 28 days and refers to other curtailing factors which the N.D.P. would no doubt consider anti-labour. Although the philosophy of the major parties may not be the best in the world, it is still much better than that of the New Democratic party.

Mr. Knowles (Winnipeg North Centre): Would the minister permit a question?

The Acting Speaker (Mr. Béchard): I must inform the house that the minister's time has just expired. Does the house give unanimous consent?

Some hon. Members: Agreed.

• (5:30 p.m.)

Mr. Knowles (Winnipeg North Centre): I hope there is time for one short question. I realize that the minister has been dealing mainly with figures and percentages that are rather large. But I wonder if, before he resumes his seat, he would comment on the situation which still faces people who come under his responsibility, namely those in the Unemployment Insurance Commission who have been told they are going to lose their jobs. In particular, will the minister explain why it is that if there are only 50 to be laid off across Canada there are 14 of them in Manitoba? We don't usually share that well.

Mr. Mackasey: The unemployment figures in the west are considerably better now than in the days when Tommy Douglas led the Socialists in Saskatchewan.

Some hon. Members: Hear, hear.

Mr. Mackasey: There is now less need for unemployment insurance offices in that part of the country. However, that is not the full answer. I wish it were.

Mr. Knowles (Winnipeg North Centre): I trust the minister has an answer to the question.

Mr. Mackasey: Yes, it is long and detailed. I have been anticipating the question and I can read the answer if you wish. We are proud of the fact that a potential lay-off of 800 people will be reduced to less than 50. I am not aware of the location in Manitoba of the 14 people who are to be laid off and I am not sure the hon. member is either. However, I am sure he obtained his information in good faith.

I have been advised by the Unemployment Insurance Commission the people who will be laid off will be notified officially as of February 28, which is still a month hence. It is difficult to say just where these people are located. People employed by the Unemployment Insurance Commission who are to be laid off will be given six months' notice, whereas a public servant receives only three months' notice. This is what will happen.

The Unemployment Insurance Commission has decided to issue six months' notice as of February 28, 1969 to all redundant staff who would have been merit listed according to the Public Service Employment Act and were not placed in alternative employment by that date. The hon. member will understand this gives a particular person, or persons, an added opportunity to find work once they are so classified. I, personally, hope that in the six month interval alternate work is obtained for all of the 35. I am sure the employment market during the next six months will be buoyant enough to absorb these people.

Mr. Knowles (Winnipeg North Centre): When a person has been a civil servant for 25 or 30 years, is it any easier to accept unemployment after a six month notice than after a three month notice?

Mr. Mackasey: We can debate this all day. If the hon. member would give me a specific example of a person working for the Unemployment Insurance Commission for 25 years who is to be laid off, I will personally see it does not happen.

Mr. Knowles (Winnipeg North Centre): I shall do so.

Mr. Cliff Downey (Battle River): It is my purpose today—

The Acting Speaker (Mr. Béchard): Order, please.

[*Translation*]

Mr. Henri Latulippe (Compton): Mr. Speaker, I should like to put a question to the minister.

An hon. Member: No.

The Acting Speaker (Mr. Béchard): Order. The hon. member for Compton (Mr. Latulippe) would like to put a question, but I wish to

point out to him as well as to the other members that the time of the minister has already been up for several minutes.

If the house agrees—

Some hon. Members: Agreed.

Mr. Latulippe: Thank you, Mr. Speaker.

The minister indicated that an increase in productivity in Canada would solve the problem. Now, we have had increases in production since—

The Acting Speaker (Mr. Béchard): Order. The house authorized the hon. member to put a question, but not to make a speech.

Mr. Latulippe: I do wish to put a question, Mr. Speaker.

I am going to refer to the statistics for 1968. Canadian production was valued at $68 billion. We have—

The Acting Speaker (Mr. Béchard): Order. Would the hon. member put his question?

Mr. Latulippe: Here is my question, Mr. Speaker. One must use certain words to put a question.

Our production was valued at $68 billion and consumption at $40 billion. Who got the $28 billion difference? That is what I would like to know.

Mr. Mackasey: Mr. Speaker, the hon. member received an indemnity of $18,000, which, of course, is paid out of the citizens taxes and, just like me, he benefited from that amount. Moreover, he is a business man, he operates several businesses, and he no doubt benefited from the prosperity in his riding.

[*English*]

Mr. Cliff Downey (Battle River): It is my purpose today, Mr. Speaker, to bring to the attention of the house and the country the tragic gap between performance and practice of which this government has been guilty. The Minister of Labour (Mr. Mackasey) has given some statistics on unemployment, both past and present. In view of the continually changing circumstances in this country, Mr. Speaker, if the minister derives any comfort from these statistics then he deserves less credit than members of the opposition give to him.

The hon. member for York South (Mr. Lewis) stated that neither the Liberal or Conservative parties, did much to alleviate unemployment. Under the hon. member's concept of democracy, the government would become the prime employer. It would seem the government is rapidly trying to become a prime employer when you look at the increase in departmental staffs. I would ask the people of the nation to judge for themselves if this is the best way. We all have to acknowledge the fact that there are countries with very little employment, but how many people in Canada would trade places with the average person in China?

I recall, as we all do, the bright, sparkling days of kissing and high-diving, of grappling with the nation's problems which characterized the first few months of the present regime—

Some hon. Members: Those were the days.

Mr. Downey: —to the point where the incompetence of the Pearson government was almost forgotten. Except for a few changes, the governments boasts the same personnel as the previous government and I might add is still committing the same blunders.

We are in the degrading position where in the midst of a drifting economy, sky high taxes, falling grain sales, confusion about priorities, rapidly increasing unemployment, unconscionable interest rates, the only matter which seems to impinge upon the Prime Minister's (Mr. Trudeau) euphoria is the way in which the Prime Minister's private life is covered in the press. This is hardly a matter of national concern, nor will its resolution do much to assist Canadians.

Does the Prime Minister know that in this country there is a growing number without work? Does he know that there are Canadians ill-fed, badly housed and improperly cared for? Does he have any concern about the pensioner and the aged, whose paltry income is eaten away by government-created inflation? Does he care about the small businessman or the farmer whose modest competence now becomes a prey for the tax gatherers, as a result of the most iniquitous legislation ever presented in a legislative asembly? I refer to the succession duty tax.

The private life of the Prime Minister, however fascinating to the pundits, however agonizing to their perpetrator, is of no concern to the Canadian who is trying to make ends meet.

I am asking this government to come back to reality, to stop treating this nation and its problems as a stage for one man's artistic performance; to deal with real problems, rather than the fringe benefits of social misfits, such as we have been having.

• (5:40 p.m.)

In view of the government's promises and propaganda, its failure to deal with the problems is a sad betrayal of the confidence of the people. We have a government which will not look after the plain, elementary housekeeping, and therefore we have an economy gathering dust like a machine somebody forgot to oil, and unemployment is growing steadily every month.

The way in which the government has mismanaged the wheat situation is almost incredible. Members of the government sat on their hands all summer while a strike dragged on. They made no move to allocate box cars with the result that millions of dollars were taken out of western farmers' pockets by the tie up in Vancouver. When the hon. member for Mackenzie (Mr. Korchinski) placed the matter before the Canadian people, the government woke up and box cars moved. But why were they not moving before?

Our trade department has allowed a complete breakdown in the movement of grain. Demurrage charges alone on the vessels sitting in Vancouver harbour are costing the people of this nation almost $1 million every 18 days.

Unless there is a complete change in the government's attitude towards agriculture we will never solve our agricultural problems. Canadian agriculture is one of the leading consumers of manufactured goods. If the state of agriculture is allowed to depreciate, if it is allowed to continue on its present path, if its strength is sapped by further taxes, then I submit we will not have an increase in jobs in this country. Unemployment is far more closely related to the state of agriculture than most people, including a great many enlightened people, would suppose.

In the west we have no market for our wheat. The prospects are for lower beef prices in the spring, increased taxes, higher machinery prices and narrower profit margins. In order to stay in business farmers and ranchers are working 16 to 18 hours a day, resulting in a loss of jobs for other people. Thousands of extra people could be employed on the farms if profit margins were sufficiently high to allow farmers to stay in business and still work normal hours.

As a result of the inaction last summer, damp grain has become a major problem. It will have to be fed to cattle this winter, or at least a large portion of it, and I think we can look for a drop in beef prices in the spring—possibly, in the prices of all meat products. That is another thing for which the western farmers, and the economy in general, can thank the government.

Where is our national policy? Stimulation of the oil industry would have created employment and expansion. Instead of policy we have a vacuum of indecision. Instead of western oil being delivered to eastern Canada, we have Venezuelan oil coming in there. Is it any wonder we have regional disparity and growing unemployment when we have artificial barriers maintained between parts of Canada as a result of government lethargy?

Instead of dealing with real problems we spend our time dwelling on the miscues of society and the new code of personal conduct handed to us by the new Solon, the Prime Minister (Mr. Trudeau), who goes his merry way regardless of the problems affecting Canadians.

The leader of this party has shown in his statement that unemployment is a serious and growing evil, and at the present rate will soon be uncontrollable. Yet the government has produced no remedy; it has offered no encouragement; it has shown no awareness. How long can a government go on living in a cacoon of indifference to national problems?

One of the most serious problems in the nation today is housing. It has been treated with disdain and disregard, the object of a publicity seeking barnstorming tour by the responsible minister—at least we hope he is a responsible minister. This problem is now being dealt with in a hastily thrown together report which is simply a cry of defeat on the part of the federal government. Was it really necessary to spend a million dollars to produce a report which comes out not with a bang but with a whimper, and which does nothing to deal with the basic problems, the high cost of housing and the unavailability of low interest mortgage money? This report is simply a piece of window dressing. It is an admission by the government that the problem it faces is beyond its resources.

What is needed is an effort on a mass scale to produce reasonably priced, utilitarian housing blocks at a unit cost that Canadians can afford to meet, possibly by the entry of the government housing corporation into the housing field. There is no real reason why, with drastically new construction methods, advances in building components, a revamping of our building codes and union regulations, better and cheaper housing cannot be provided, with resultant increases in jobs.

Alleged Failure to Reduce Unemployment

We all remember the bright days of promises and pride when Trudeaumania was going to be the cure for all our problems. It hasn't quite worked that way. Whatever happened to the Marshall plan for the maritimes? What about the promised plans and programs for eastern Ontario agriculture? They seem to be still on the drawing board. These, and numerous other policies, if implemented would have assisted in wiping out regional disparities and stimulating the economy.

Far from stimulating the economy, the government has allowed it to run down. In Newfoundland the fishing industry is being quietly allowed to die, and in the maritimes the shipbuilding industry is slowly suffocating. I might interject that on a recent trip through the maritimes, vacant farms were much in evidence. But the Prime Minister appears on the list of best dressed men. This may be satisfying to him, but it does little to alleviate the uncertainty and fear that are brought on by economic hardship.

One recalls the general disappointment across the nation at the throne speech which opened the new parliament. It is now apparent that it was an accurate reflection of the government's inability to recognize or deal with the basic problems of economic growth and full employment. The government's legislative program is one of the skimpiest in years. We have had no sign from the government that it is prepared to act to deal with the problems of housing, taxation and interest rates, and the growing gap between the well-to-do and the depressed as outlined by the Economic Council in its last report.

It is not because the government has not had the benefit of good ideas and suggestions that there has been an almost total dearth of activity.

• (5:50 p.m.)

One recalls the suggestion last March by the then secretary of state for external affairs, who has now been moved to the other place, which called for a national conference to co-ordinate economic development and combat regional disparity. Mr. Martin's suggestions were never acted upon. Along with dozens of others, they were cast aside by this rather curious government. But the throne speech, weak and uninspired as it was, was still more glittering than the actual performance has been. It is safe to say that the government has done nothing to deal with unemployment, to stimulate expansion, increase growth, deal with disparity, bring down interest rates, build homes or deal with any of the thousand and one urgent problems that are pressing in on us at this time.

As an example, last September's throne speech promised a prices and costs review board. Where is it? Surely, this would have been a simple and routine matter to implement. Why was it not done? Where is the policy for regional development? We have had theories, reports, task forces by the dozen in the areas of agriculture, housing, transportation and taxation, but nothing concrete has been done. I say let us have fewer task forces and more positive policies. Let us have fewer reports and greater implementation of the reports we have. Let us have at least the shadow of an attempt to bring the power and resources of the government to bear on the problems that affect Canadians from coast to coast. Among them is unemployment which is rapidly becoming serious and endemic.

Mr. A. D. Hales (Wellington): Mr. Speaker, I appreciate the opportunity to speak to this motion which is before us. At the outset, I might say that I propose to relate my remarks to those people who form one of the largest groups of unemployed. I refer to those between the ages of 14 and 19 and 20 and 24; namely, the students, graduates, undergraduates and those who are looked upon as drop-outs.

Before proceeding with my main remarks, may I say that although I consider myself to be a very non-partisan member of this house I cannot sit here and let the statements of the Minister of Labour (Mr. Mackasey) go unchallenged. He told this house that the per-percentage of those unemployed continued to decrease the minute the Liberals took office. Other members of this house know that when the Liberal party took over from the Conservative party they received built-in programs which they were able to keep in force. They were able to govern by using the same programs.

I might ask who instituted some of these programs in those recession days when we took over. Who brought in the great housing program, the vocational training program and the great shipbuilding program? Consider what is going on today since this government let that shipbuilding program lapse. What about the great sales of wheat that the Conservative party made and the great trade crusade that was launched by the then minister of trade and commerce, the hon. George Hees? What about the roads to resources program and the Bladen report which was the

forerunner of the automotive pact? What about the Atlantic provinces adjustment grant? Ask the people in the maritimes who introduced that adjustment program and what it did for the Atlantic region? Therefore, I say it is not right for the minister to rise in his place and say that the Liberal party was entirely responsible for reducing the percentage of unemployment. I bring this to the attention of members of this house so that there will be no misgivings about this point.

The Minister of Labour spoke about the introduction and setting up of the department of industry and what a great thing it was. It only lasted for about five years and they dismantled it. They blasted it apart. Although they started off with a nominal staff they ended up with over 1,000 employees. Talk about employment! That was one of the greatest ways to employ people—build up an empire in the department of industry.

When I listened to the Leader of the Opposition (Mr. Stanfield), and others speak about this motion I was struck by that empty and barren thing, the just society, of which we have heard so much. Here it is, the first month of a new year and we face the prospect of seeing more than half a million Canadians out of work and with little prospect of things improving except seasonally. One of the most unpleasant aspects of a very unpleasant subject is that the unemployment figures serve to emphasize the regional disparity under which we suffer in this country. The correction of this regional disparity, we were led to believe, was to have been one of the chief concerns of this government. Nothing has been done.

It is almost six months since this parliament met. We have had dialogues ad nauseam, task forces too many to count, promises galore and even international fashion shows, but no government action. I do not believe the figures on regional unemployment have been entirely placed on the record although I believe the figures for the Atlantic region were given. The figures of regional unemployment are as follows: 7.1 per cent in the Atlantic provinces; 6.8 per cent in the province of Quebec; 3 per cent in Ontario; 3.4 per cent in the prairies and 5.4 per cent in British Columbia. These certainly bear out the lopsided nature of our national economy.

No one likes unemployment. We all realize the seriousness of unemployment. Today, with this fire of inflation which is spreading and engulfing everybody, this government in spite of the war on poverty keeps throwing log after log on the fire of inflation. Unemployment becomes more and more important. The cost of living has gone out of the reach of millions of Canadians. When one is out of work the cost of living becomes even more and more important. The saddest thing that could happen to any family is to see the breadwinner unemployed.

This government must face up to the problem. It must look ahead and plan. Members of the government can fool nobody by postponing their actions. We had some programs that were of great benefit to the country. There was the winter works program. Where has it gone? There is nothing to substitute for it. The municipal loan fund was a great help to the municipalities. Where has that gone? Where have the subsidies in respect of winter housebuilding gone? Then there was the public works program. That has been discontinued. Has there been a replacement? No.

Mr. Deputy Speaker: Order. It being six o'clock the house stands adjourned until Thursday at 2 p.m.

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

HOUSE OF COMMONS

Thursday, January 30, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

PRIVILEGE

MR. BALDWIN—ALLEGED IRREGULARITY IN TABLING OF DOCUMENT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege at this time which I think affects in a very substantial way the privileges, rights and prerogatives of all hon. members of this house. I have given notice, of course, in accordance with the appropriate standing order.

My question of privilege deals with a paper tabled yesterday by the Secretary of State (Mr. Pelletier) which purports to be presented and given on the records of this house under standing order 41(2), a new rule which has just come into effect this year. The document in question is simply headed "The Commissionaire Affair." It has no other heading and is not signed.

This document of course deals with a question which has been a very controversial one. I assure Your Honour it is not my intention to recapitulate the details of that, other than to say there is no question about the fact that the issue was the subject of very considerable questioning in this house and controversy in and out of the house. It touches not only the individuals concerned, but a very important issue which involves the people of this country. For this reason, it is no light matter which was discussed. The document in effect purports to be an explanation, I would assume by the Secretary of State, of his side of the argument on the controversy which took place.

• (2:10 p.m.)

It is my submission that the document should not have been tabled under the circumstances it was tabled yesterday. It might well be said that I should have dealt with this matter on a point of order yesterday but it was utterly impossible to do so because the document was tabled and no previous notice was given. It is only after documents have been tabled that hon. members are in a position to obtain copies and come to a conclusion as to whether the document in question is one which a minister or a parliamentary secretary is entitled to table under the terms of the pertinent standing order.

I have looked at this matter very carefully, sir, and it is a very important matter which involves a new rule. Your Honour will no doubt come to a decision in this regard, and probably lend your name to a leading case, as you will no doubt do during a number of situations as these new rules develop. For this reason I am going to take a little time to outline the matter in detail, and my reason for rising on this question of privilege.

Standing order 41(1) replaces standing order 40 and provides that a return, record or other paper required to be filed by statute or a regulation may in fact be filed by being tabled in this house. That is a prerogative right which is given to ministers of the Crown. The practice has also grown over the years whereby documents which do not fall within this description, but of an official nature, have been tabled by consent or leave of the house. There is a very sound reason for this.

On one or two occasions before the Christmas recess, and I am dealing with this chronologically, attempts were made by ministers of the Crown to obtain the leave of the house, under the guise of that particular practice to table what were in fact press releases. At that time I suggested it was an iniquitous practice and should not be allowed. Of course leave was not given.

This matter came up for discussion during the course of meetings of the procedure committee. A proposal was made, which was subsequently reduced to writing and became standing order 41(2), to the effect that with the leave of the house a minister or parliamentary secretary would be entitled to table the document or to use the exact wording, "any report or other paper". There was no condition precedent requiring the consent or leave of the house.

It is my submission there are very definite limitations to that right. Certainly when this matter was considered in the committee I made my opinions quite clear. I believe this

opinion is shared by others and is the general consensus of Her Majesty's Loyal Opposition. The idea that any minister should table press releases, or statements that are self-serving or exculpatory through the medium of this rule, should absolutely not be considered. If this were allowed our procedure would degenerate to the level of that followed in other countries, particularly that followed in the United States—and I will not deal with the situation there—where documentation may be placed on the record without being the subject of a speech. Certainly it was never the intention of this house or the procedure committee that this should be done.

The question for Your Honour to consider involves an interpretation of the rules. Under these conditions it is my submission that standing order 40 provides for the tabling of a document which is required by statute. When we come to the new standing order the words "return, report or other paper" must be considered in the same light; that is a document of an official character which, while not being required to be tabled by statute, is a subject for which a good case can be made for tabling in the house.

But if we let the rule go beyond this, where do we stop? Any document or any speech could be included: the Postmaster General could table in this house the speeches he has made.

An hon. Member: Oh, no!

Mr. Baldwin: Papers of any kind at all could be included within the provisions of this rule. If we adopted the interpretation which would be called for in order to uphold the legality of what was done yesterday, the words "other paper" could be given the widest possible meaning. I am sure this would not be a desirable practice in the house, and I therefore ask Your Honour to consider this question and come to some decision on it.

It may well be that, because the question has been raised for the first time, Your Honour might like to reserve your position on it. I say this because if Your Honour does come to a decision that the words "other paper" could include the right of a cabinet minister or parliamentary secretary to table any document, any paper at all, self-serving or argumentation, without in any sense its being an official document published under the authority of a government department, this house might well want to review the position it took on the rule and revise it.

If on the other hand Your Honour comes to the decision, as I hope you will and as the facts and precedents justify, that the words "other paper" must have a restrictive interpretation placed upon them, I think the government will have to review its position. I suggest it might well have to consider giving to hon. members of the opposition parties and Your Honour, well in advance of the time they intend to table the document, the document itself so that a decision may be arrived at as to whether it does or does not in fact conform to the rule.

I therefore ask Your Honour to give this matter most careful consideration, because I think what happened yesterday could degenerate into an iniquitous practice which would be most restrictive of the rights and privileges of members of this house.

Some hon. Members: Hear, hear.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sure we all agree that, for the most part, our new rules are working very well. I think we will grow in our appreciation of them as time goes on. Even so, if any apparent infraction has taken place in connection with one of the new rules, I agree with the hon. member for Peace River (Mr. Baldwin) that it should be looked at by Your Honour without delay.

Like the hon. member for Peace River, I realize that this is a point you may want to look at and on which you may wish to reserve your judgment. But I would like to support the contention of my hon. friend that the change in the rules that we made did not contemplate the kind of document which the Secretary of State (Mr. Pelletier) asked permission to table yesterday. I accept the correction of the hon. member for Edmonton West (Mr. Lambert), who has just said that the Secretary of State did not seek permission, because under the new standing order, if the document fits the wording of the order he does not have to ask permission. That is the whole point.

As Your Honour must be aware, the new rules have put many more responsibilities on you than existed heretofore. We were quite deliberate in the recommendation that there be what is now known as standing order 41 (2), which reads as follows:

A minister of the Crown, or a parliamentary secretary acting on behalf of a minister, may, in his place in the house, state that he proposes to lay upon the table of the house, any report or other paper dealing with a matter coming within

the administrative responsibilities of the government, and, thereupon, the same shall be deemed for all purposes to have been laid before the house.

All we sought to do when we drafted this rule was to get around the situation that has occurred on occasion, not too happily, when something that it was legitimate to table but was not required by an act was denied tabling because there was not unanimous consent. We tried, as I say, to get around that situation by the drafting of this rule. But I am sure we still meant this rule to apply only to official kinds of papers, to formal documents, and not to just any old paper that any minister of the crown might wish to table.

I realize that this raises the whole question of what is a kind of paper to be tabled. Your Honour knows that this question is dealt with at some length on pages 134 and 135 of Beauchesne's fourth edition. The citations there relate to kinds of documents that have to be tabled, and whether or not a document that has been cited must be tabled.

• (2:20 p.m.)

As a matter of fact these citations were read only last week, and Your Honour took the position that the mere reference to a paper did not constitute a reason for tabling as set out in those citations. I think it is also clear, from the material on the pages to which I have referred, that the only kinds of documents that must be tabled are those that have some kind of official status, some kind of official or governmental significance. I suggest that when a minister tries to table a document which simply represents his answers to a number of questions, answers that he does not want to make verbally, Your Honour has to review the situation. I am not asking that we go back to the old system under which unanimous consent is required to table a document, but I am asking that the import and the purport of the rule shall be observed.

I draw Your Honour's attention to the fact that when this matter came up on Monday of this week during the question period what happened was that the Secretary of State (Mr. Pelletier) sought, during the oral question period, to answer a number of questions that had been put to him on this subject. He admitted at the start that it would be a lengthy answer, but Your Honour suggested that he start and that you would rule later. He had not gone very long before you saw it would be lengthy and you interrupted him.

These are your words as recorded in *Hansard* of January 27 at page 4832:

Mr. Speaker: Order. I must interrupt the hon. minister at this time to suggest that the statement he is delivering must normally be made on motions, unless all hon. members are willing to hear the hon. minister's statement as a reply to a question. I do not think the hon. minister is entitled to continue any further.

Then there was a supplementary question by my parliamentary leader, and the Secretary of State made a reply at the end of which he said:

So many questions have been asked on that subject that I will not, so to speak, make any statement but rather reply in turn to the several questions that have been put to me and that have piled up.

Surely that was a commitment on the part of the Secretary of State, who realized that the questions he had to answer in a normal way could not be answered by a speech but could be briefly answered one by one; and there was your instruction, Sir, that it would be better if it were done on motions.

The Secretary of State sought yesterday to do indirectly what he was not permitted to do directly. He sought to bring into the official records of the house, by having it tabled, a lengthy document which consisted of answers to questions which Your Honour would not let him make during the question period but which Your Honour said he should make on motions.

If I am speaking rather critically, I do not mean it in that vein, but I am concerned about this procedure, because I can see that if this is allowed, all kinds of things will be tabled, not only the speeches that the Postmaster General (Mr. Kierans) is making around the country, but any kind of document; and what could be a real abuse of this rule would be for ministers to file statements that are argumentative on behalf of a certain piece of legislation before it is debated, or at a stage when it cannot be debated. So the rules of the house could be circumvented in this way.

I therefore feel very strongly that this is something that Your Honour will have to study. I say again that I do not want us to go back to the old practice of requiring unanimous consent for the tabling of any document, but precisely because we have done away with that requirement, the responsibility rests upon a minister to make sure that it is a proper paper that he is tabling. If there is any doubt about it, it is up to Your Honour to decide, and of course it is still

a matter for a point of order. Therefore, as I say, I welcome the improvements we have made in the rules and I think this was a good one, but I plead that it be not abused.

Hon. Marcel Lambert (Edmonton West): I do not want to take the time of the house at any great length to belabour the point. I think everyone here will recognize that the rules were drawn up with the idea, in principle, of fairness to both sides of the house and to all hon. members. It is axiomatic that they should be used fairly. I need not go on to say that they should be interpreted fairly, because that is a matter of course. What I wish to emphasize is that they should be used fairly. I would point out that if this practice were to grow it would become commonplace for a minister merely to rise and table a document which touches upon the administrative responsibility of his department, and it would be admitted. It could be a contentious document. It could be a mendacious document. It could be any kind of document. No member of this house would be able to comment upon it. Yet it would be a matter of record. I would point out also that the document is not tabled at that very moment; the minister merely states he will be tabling it at some time. Then hon. members have to go and get a copy.

I would suggest to Your Honour that procedures are about to be initiated under which debate will not take place on certain stages of legislation. The practice to which I have referred would give an opportunity to a minister or his parliamentary secretary to put in a full statement or a full argument, which in effect would be his statement at that stage of debate, thereby gaining an unfair advantage over those in the house who cannot reply.

This is the only point I wish to make. Certainly, I agree with my hon. friend from Peace River and the hon. member for Winnipeg North Centre, that the spirit of the amendment was to eliminate unnecessary requests for leave to table a document, and that it should not be used as a general door for the funnelling on to the record of parliament by the ministry of any and all papers, at the discretion of ministers. I submit, therefore, that this rule must be interpreted narrowly, to the extent which has been indicated this afternoon.

Hon. Donald S. Macdonald (President of the Privy Council): I should like to deal with this point, since this is the first occasion the amendment to standing order 41(2) has come before parliament. I might say it would have been useful—and perhaps the hon. member for Peace River might bear this in mind in future—if, when questions of privilege of this kind are raised for the first time, notice could be given, so that I might have an opportunity to look at the authorities—particularly, in this case, at the minutes of the Special Committee on Procedure.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Baldwin: I will table the next one.

Mr. Macdonald (Rosedale): Since the hon. member has not given me notice I shall have to proceed on the basis of my recollection, subject to confirmation after examining the minutes of the Special Committee on Procedure. I do recall quite definitely the question put to me by the hon. member for Winnipeg North Centre as to whether or not this encompassed press releases, and I indicated that in my opinion it did. I will do the hon. member the justice of saying that I do not recall what his response was, but I think he will agree he knew precisely the position we took. Perhaps other members of the committee can confirm this, but I cannot recall that the hon. member for Peace River said anything about it at that time.

Mr. Baldwin: Nonsense. On a question of privilege, Mr. Speaker, I deny categorically—

Mr. Speaker: Order, please. There is already one question of privilege before the house.

Mr. Macdonald (Rosedale): Rather than burden Your Honour with this we shall leave it to the record of the committee as to whether the hon. member did or did not; but I think you might dispel from your mind any suggestion that there has been some kind of trickery involved here. This is exactly the type of thing we had in contemplation when we brought about the change in the rule.

• (2:30 p.m.)

While standing order 41(1) is really quite precise as to the documents referred to, standing order 41(2) is in the broadest possible terms. It permits a minister or a parliamentary secretary to lay on the table of the house any report or other paper dealing with a matter coming within the administrative responsibilities of the government. I believe that the Chair should give the widest interpretation to those words. I also believe that it is in the interests of the house generally to have these documents, which deal with the

administrative responsibilities of the government, laid on the table and made available to members.

The hon. member for Edmonton West suggested that the answers could be contentious or that they might be mendacious, and that hon. members would not have an opportunity to respond. If that were the case, then they could respond by way of a question of privilege. I should like to point out that the answers here would be in no different category from a return that is made in response to an order of the house which had resulted from a question. Certainly there would be no immediate opportunity to reply in that case. In addition, I think that the Chair would acknowledge the fact that it would not be desirable to have a lot of mini-debates on all these questions.

The final observation that I would make is that if this new restrictive interpretation is to be given to the word "papers", as is suggested by the hon. member for Peace River, then I think Your Honour would also have to consider whether, in the same way, papers that are subject to tabling under a notice of motion for production of papers brought by hon. members opposite should not equally be given a restrictive interpretation. Therefore, if the word "papers" as it appears in the Standing Orders is to be severely cut down in its meaning, then it would similarly be restrictive of members on the other side of the house.

Mr. Speaker: The hon. member for Ottawa West.

Mr. Francis: Mr. Speaker, I have the honour to present the second report of the—

Mr. Speaker: Order, please. I have the honour to present to the house my comments on the question of privilege raised by the hon. member for Peace River.

May I thank hon. members for their advice as to the interpretation that ought to be placed by the Chair on standing order 41(1) and standing order 41(2). I will study the matter as closely as I can and take into account the views that have been expressed by hon. members who have taken part in the discussion. In view of the fact that there may be occasions, either today or later on, when ministers will seek the right to table similar documents, I will try to bring this decision down as quickly as possible.

COMMITTEES OF THE HOUSE

Second report of standing committee on veterans affairs—Mr. Francis.

[*Translation*]

Sixth report of standing committee on finance, trade and economic affairs, in French and English—Mr. Clermont.

[*English*]

Second report of standing committee on justice and legal affairs—Mr. Tolmie.

Fourth report of standing committee on fisheries and forestry—Mr. Crossman.

[*Editor's note: For reports above referred to, see Votes and Proceedings.*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION TO AMEND INCOME TAX ACT AND ESTATE TAX ACT, PURSUANT TO S.O. 60(1)

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, on October 22, 1968, I gave notices of four motions relating to taxation and customs duties, which I proposed to move in Committee of Ways and Means. Two of these have been dealt with by the house, but under the new Standing Orders it will not be necessary to consider the remaining two motions in Committee of Ways and Means. I therefore wish to inform the house how I propose that we should proceed.

In accordance with the new rules, I propose to give notices of new motions under the provisions of standing order 60 (1). Because the gift tax and the estate tax proposals are closely interrelated, consideration of these proposals would be greatly facilitated if they were placed before the house in one bill. Therefore, I now propose to table a notice of motion to amend the Income Tax Act and the Estate Tax Act. The portion of the motion concerning the Income Tax Act will refer only to gift tax amendments. If the motion is adopted by the house, one composite bill to amend the Income Tax Act and the Estate Tax Act will be introduced based on the motion.

I propose on a later date to table a further notice of motion to amend the Income Tax Act to deal with the remainder of the income tax proposals announced in October. The preparation of these income tax amendments has been delayed, while some very complicated problems related to the taxation of life

insurance companies and their policy holders have been under discussion with the companies concerned.

The motion of which I now propose to give notice will be based on the October announcement, but it will incorporate some changes of a kind that under the previous house rules would have been announced and explained by moving an amendment in Committee of Ways and Means. Since the new rules do not permit a speech to be made at the time of giving notice of a ways and means motion, or on moving adoption of such a motion, any explanation of these changes will have to be made by providing written material to the members and to others, rather than by a statement in the house. As soon as I table the notice of motion to amend the Income Tax Act and the Estate Tax Act, I plan, pursuant to standing order 41 (2), to lay upon the table of the house a paper explaining the motion and giving some illustrations of the consequent changes in taxes.

Therefore, Mr. Speaker, pursuant to standing order 60 (1) I lay on the table of the house notice of a ways and means motion to amend the Income Tax Act and the Estate Tax Act in English and in French; and pursuant to standing order 41 (2) I lay on the table of the house a paper explaining the motion and giving some illustrations of the consequent changes in taxes.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on a question of privilege, I might have to enter a caveat in relation to the nature of the statement that the minister is tabling under standing order 41 (2). If this is an explanatory notice of motion, then personally at the present time I would have no objection to it. On the other hand, if it is a general denial, or argument, or criticism of either of the proposals along the lines of those appearing in the press or some other arena, then I would immediately enter a caveat. In effect, as I said in another speech, this is happening at a time when a speech is not allowed.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say a word on the caveat or point of order that has been raised by the hon. member for Edmonton West. The minister says that he is operating under standing order 60 (1) and under standing order 41 (2). Standing order 60 (1) reads as follows:

A notice of a Ways and Means motion may be laid upon the table of the house at any time during a sitting by a minister of the Crown—

That is what the minister has just done. It continues:

—but such a motion may not be proposed in the same sitting.

In other words, the minister cannot move it today, unless of course he were given unanimous consent to do so.

If you go further, Mr. Speaker, and look at paragraph (10) of standing order 60, you will note that it reads:

When an order of the day is read for the consideration of any motion of which notice has been given in accordance with section (1) of this order—

That is what has been done here.

—a motion to concur in the same shall be forthwith decided without debate or amendment—

In other words, we have made it a clear rule that at the resolution stage of a tax bill, as separate from a full dress budget debate, there is to be no debate on the proposed resolution.

The minister says that under standing order 41 (2) he is tabling a document. Like the hon. member for Edmonton West, I have not seen it. If it is only a matter of explanation, then I will not press an objection. But if—

Mr. Lewis: —it is a debate.

Mr. Knowles (Winnipeg North Centre): If, as my colleague says, putting into my mouth the words I was going to use, the minister is tabling a debate that he has put in writing, then I suggest that this combination of the use of two rules is not the kind of thing that should be allowed.

• (2:40 p.m.)

It is very clear we have done away with debate on the resolution stage of tax bills, yet the minister proposes to get around this by producing his side of a debate in the form of a document. That is, instead of debate he produces a document. Then he cites standing order 41(2) as his authority for tabling a document he should not have presented to the house at all. If he wants to send a memorandum to members of the house through the mail, telling us what this document is all about, well and good. Perhaps he wants to hold a press conference, and no one can stop him from doing that. But for him to try to circumvent the rules of the house in this way is I submit quite unfair.

I have not seen the document; I see the hon. member for Edmonton West (Mr. Lambert) has a copy, as has my leader. He has handed it to me and from what I see I am convinced that what I have said is correct. It is debate. We have a rule saying there shall be no debate in the house at the resolution stage of a tax measure, and I do not think the minister can be allowed to break this rule in the present manner. It is good that the hon. member for Peace River (Mr. Baldwin) raised his point of privilege today. We should not have debate from one side when it is not allowed at all.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I do not think I need say too much, except that we are not circumventing any of the rules. The rules are there and are being given effect to. Really, the hon. member is inventing new restrictions. The rules speak for themselves and I think Your Honour can summarily reject the hon. member's objection.

Hon. Robert L. Stanfield (Leader of the Opposition): On a point of order, Mr. Speaker. I suggest the tabling of the document by the Minister of Finance in this way is improper, and that that tabling ought to be withheld until Your Honour has ruled on the matter.

Mr. Speaker: Order, please. Unless hon. members wish to present further argument, I wish to say now that I agree with the suggestion of the Leader of the Opposition. Because of the very serious point of privilege raised earlier by the hon. member for Peace River, the Chair indicated that the matter would be taken under advisement. I do not think it would be proper for the Chair to allow the tabling of the document at this time. With the agreement of all hon. members I will simply hold the document—I am not sure whether it will be held on the minister's desk, on the table, or in between, but it will not be considered as having been accepted for tabling at the present time.

Mr. Benson: On a point of order, Mr. Speaker. Since this is an important matter, perhaps there will be unanimous consent to giving the bill first reading at this time, or taking a vote on first reading.

Mr. Knowles (Winnipeg North Centre): Has the government not circumvented enough rules already, for one day?

Some hon. Members: Do it tomorrow.

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT PROVIDING EMERGENCY PAYMENTS TO MEET DRYING COSTS

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, last week the house debated at length the question of assistance to western farmers with respect to appropriate measures to be taken to assist them with tough and damp grain. As my colleagues indicated, the government intends to present a measure to amend the Prairie Grain Advance Payments Act. I think there is agreement to what I am about to propose from all sides of the house; at least, up until about one hour ago there was agreement. I request leave of the house to waive the provisions of standing order 42(1) with respect to 48 hours notice for the introduction of a bill, so the bill may be given first reading at this time and then proceeded with at the first possible opportunity which will be tomorrow. We wish to give every assistance possible to our prairie farmers.

Mr. Baldwin: Mr. Speaker, we are prepared to waive the rules, as we always are for good cause when we can help our fellow citizens in the country.

Mr. Knowles (Winnipeg North Centre): We have already agreed to this, Mr. Speaker.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we have also agreed to postpone till tomorrow the debate on the wheat problem, and whenever a similar problem arises some day for the Eastern farmer, we trust we will be given the same co-operation.

[*English*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-162, to amend the Prairie Grain Advance Payments Act.

Motion agreed to, bill read the first time and ordered to be printed.

[*Later:*]

Mr. Speaker: I wonder whether the house might allow the Chair to report to a bill introduced a moment ago by the Minister of Industry, Trade and Commerce to amend the Prairie Grain Advance Payments Act. My understanding is that the royal recommendation has not yet been filed with the Clerk of the House in this regard. I take the liberty to

remind the minister responsible for the proceedings on this bill that this is a requirement for the consideration of the bill, since the purpose of the bill is to provide for emergency advance payments.

Mr. Baldwin: Is the government going to waive the B.N.A. Act next?

HEALTH AND WELFARE

CIGARETTES—MEASURE TO RESTRICT TAR AND NICOTINE CONTENT

Mr. Kenneth Robinson (Lakeshore) moved for leave to introduce Bill C-163, to restrict the tar and nicotine content of cigarettes.

Some hon. Members: Explain.

Mr. Robinson: Mr. Speaker, for some time now it has been established that there is a connection between tobacco users and deaths caused by cancer, due to the tar and nicotine contained in cigarettes. A table was recently issued under the authority of the Minister of National Health and Welfare setting forth the tar and nicotine level in most of the cigarettes used in Canada.

The purpose of this bill is to enact that the tar and nicotine level in cigarettes manufactured and sold in Canada shall not exceed lowest level to have been found as set forth in the table, namely 8 milligrams of tar and 0.5 milligrams of nicotine.

Motion agreed to, bill read the first time and ordered to be printed.

• (2:50 p.m.)

WARNING ON TOBACCO AND CIGARETTE PACKAGES

Mr. Kenneth Robinson (Lakeshore) moved for leave to introduce Bill C-164, respecting tobacco as a health hazard.

Some hon. Members: Explain.

Mr. Robinson: Mr. Speaker, the purpose of this bill is to make certain that tobacco and cigarette users are aware at all times that their use constitutes a health hazard. It is therefore proposed that a written and graphic warning be placed on all packages of tobacco and cigarettes. I wonder, Mr. Speaker, whether this bill could also be referred to the Standing Committee on Health, Welfare and Social Affairs?

Motion agreed to, bill read the first time and ordered to be printed.

[Mr. Speaker.]

EXPORT AND IMPORT PERMITS ACT

AMENDMENT RESPECTING APPLICABILITY TO CANADIAN DAIRY COMMISSION ACT

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce) moved the first reading of Bill S-25, to amend the Export and Import Permits Act.

Motion agreed to and bill read the first time.

MOTION TO ADJOURN UNDER S.O. 26

[*Translation*]

EXHIBITIONS

MAN AND HIS WORLD—DECISION TO DISCONTINUE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I ask, seconded by the member for Frontenac (Mr. Dumont) leave to move the adjournment of the house, under standing order 26, to discuss an urgent matter of national importance, namely the decision of the Montreal Executive Council to cancel the operation of "Man and His World" because of the financial risk. It was announced last night that the Exhibition Island and St. Helen Island would be closed down.

That is to say that all the capital invested in achieving Expo 67 will be, so to speak, a total loss. Because of the magnitude of such a gigantic undertaking as "Man and His World", because of the generous financial participation of the federal government towards its realization, because of the disastrous consequences of such a decision for the prestige of Canada throughout the world, it is imperative that a debate be launched today in this house to study that matter of national importance and find a solution to it.

The closing of Expo 67 is a national disgrace. The city of Montreal is hard-pressed for money.

Mr. Speaker: Order. I must remind the hon. member that he must limit his remarks to the statement made to the Chair, and that he is not allowed to make a speech.

The hon. member for Shefford (Mr. Rondeau), as I just indicated, has given the Chair the notice required under standing order 26(2). According to the hon. member's statement, the matter he is moving for discussion is based on the decision taken by the executive committee of the City of Montreal, to

discontinue operation of "Man and His World".

In deciding whether a matter should have urgent consideration, the Speaker must consider the extent to which the matter comes within the administrative responsibilities of the government. The hon. member should read standing order 26(5) about this point.

In my opinion, the motion of the hon. member for Shefford does not meet this requirement since the subject matter as proposed clearly does not come under the administrative jurisdiction of the federal government. I regret, but I must come to the conclusion that this motion may not be allowed in the house.

[*English*]

ORAL QUESTION PERIOD

THE MINISTRY

PUBLIC DEBATE BETWEEN MINISTERS ON GOVERNMENT POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister arising from the encouragement given by him to public debate between cabinet ministers on defence policy. Is it his intention to encourage public debate between the ministers in his government on other matters of policy still in the process of being determined as, for example, economic policy generally, and particularly the report of the task force on housing that was tabled in the house yesterday?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, we have no objection to public debate on the subject of economic progress of the country or the way in which ministers think it could be improved. There is no provision in our government against such debate.

Mr. Stanfield: As a supplementary question, Mr. Speaker, may we expect that debate will be encouraged between the Minister of Finance and the Minister of Transport on the removal of the 11 per cent sales tax on building materials, in view of the fact that the recommendation of the task force, of which the Minister of Transport was chairman, is in favour of removal and the indication is that the Minister of Finance is opposed to such action? May we look forward to such a debate?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would simply like to make something clear. I am never against the reduction of taxes in Canada. I simply said we cannot afford it at the present time.

Hon. George Hees (Prince Edward-Hastings): As a supplementary question, Mr. Speaker, in line with the Prime Minister's wish to generate debate within the cabinet, within the house and within the country in order to decide what government policy should be, is it the government's plan to adopt the tactic used by the late Mackenzie King of ascertaining which gate the sheep intended to use in order to leave the pasture and then leading them through it?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The rules do not allow the hon. member to encourage debate in the house in this way.

Mr. G. W. Baldwin (Peace River): As a further supplementary question, Mr. Speaker, is it the Prime Minister's intention to arrange for Canada to become a two-policy nation?

Some hon. Members: Oh, oh.

An hon. Member: Like your two-leader party?

INDIAN AFFAIRS

PROVISION FOR ESTABLISHMENT OF CLAIMS COMMISSION

Mr. David Lewis (York South): Mr. Speaker, may I ask a question of the Minister of Indian Affairs and Northern Development. Some time ago he said he would table the bill to establish an Indian claims commission before the end of this month. Since today is the 30th of January, is he now ready to table it and, if not, can he tell us when he will be ready to do so?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I said I hoped, but, unfortunately, my hope has not been fulfilled yet.

[*English*]

Mr. Lewis: Mr. Speaker, could the minister indicate when his hope may be realized and whether he has met obstacles to presenting the bill in the form of advice as to its constitutionality? If so, can he tell us what he is doing about it?

Inquiries of the Ministry

[*Translation*]

Mr. Chrétien: As a matter of fact, Mr. Speaker, after introducing the resolution concerning the establishment of an Indian claims commission, I received representations from some organizations. Some remarks were also made to me in the course of subsequent discussions I had with Indians in Canada. Therefore, I consider it desirable to make a thorough study of such representations before I announce definitely the government policy.

[*English*]

Mr. Lewis: Mr. Speaker, the minister has still not answered part of my last question. He has been giving us vague dates progressively later throughout this entire proceeding. Can he indicate now when we can expect that bill?

[*Translation*]

Mr. Chrétien: As soon as possible, Mr. Speaker.

EXHIBITIONS

MAN AND HIS WORLD—DECISION TO DISCONTINUE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to ask a question to the Prime Minister.

Since he is aware that the closing of Man and His World was announced yesterday, could the right hon. gentleman tell us whether he intends to consult with the provincial and municipal authorities in order to find a solution to this serious problem as quickly as possible?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, there have already been consultations, which went on for several months, at the request of the City of Montreal, with the federal government and also, I think, with the provincial government. Following those talks, the City of Montreal has reached a decision that comes under its jurisdiction. We have nothing else to say.

Mr. Rondeau: Mr. Speaker, I would like to ask a supplementary question.

Like the authorities of the City of Montreal, whose decision we heard about last night, does the federal government propose to do something to save Man and His World?

Mr. Trudeau: Mr. Speaker, Man and His World does not come under our authority; we cannot do anything on our own initiative. I repeat that we have discussed the matter with the officials of the City of Montreal every time they requested it.

[Mr. Lewis.]

[*Later:*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to ask a supplementary question about the closing of "Man and His World".

Could the Prime Minister tell us if his government would take part in a tripartite commission: federal, provincial and municipal, in order to take over the financial matter of "Man and His World" and to allow the general public to benefit from it?

Mr. Trudeau: Mr. Speaker, the question is rather an hypothetical one. The City of Montreal would first of all have to think about setting up such a commission. The house knows that the World Exhibition ended almost a year and a half ago and that it is the City of Montreal that assumed the responsibility of continuing its operation. It became a thing which was amenable to it and not any more to us. On the contrary, for a long time the government has been considering solutions to liquidate its commitments with regard to the Expo 67, that is to liquidate the company which, I think, is called the Canadian Corporation for the World Exhibition. The solution is not our concern any more. It is up to the city of Montreal to judge whether or not it wants to continue the operation of that municipal exhibition and, if it wishes to call on other financing sources, to propose what it would like.

Mr. Fortin: Mr. Speaker, I wish to put a supplementary question. The Prime Minister said that my question was hypothetical, but the financing of the World Exhibition is also hypothetical at the present time. Does he want to say that the federal government is trying to settle the matter? Does that mean that it would not be ready to buy "Man and His World" or the Corporation involved?

Mr. Trudeau: Mr. Speaker, the question has never been put to us. We have not been asked to buy "Man and His World". If the city of Montreal makes an offer, we will consider it, but if the hon. member wants to have the government say that we think we must devote a substantial part of the federal budget to recreate "Man and His World" or to operate it, I will say to him the we have unfortunately, to deal with other priorities and that, according to us, that one is not the first.

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST—REACTION OF IRAQ TO CANADIAN GOVERNMENT PROTEST

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the very perilous condition of affairs in the Middle East and the serious potential threat to world peace, action is needed. The minister stated that a message was being submitted by the Canadian ambassador to the government of Iraq protesting against the terrible series of virtual atrocities which occurred in that country recently. What was the reaction of the government of Iraq and what generally is the government of Canada doing to bring about conditions whereby the serious situation in the Middle East will be to some extent diminished?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have not yet had a response from the government of Iraq to the representations we made yesterday. On the second part of the question, our main effort has been directed to supporting the efforts of Ambassador Jarring who is acting for the Secretary General of the United Nations to bring about a settlement of the Arab-Israeli dispute.

Mr. Diefenbaker: I have a supplementary question for the Prime Minister. I think it only fair that he should have the opportunity of explaining whether or not there is any basis in fact to a report in *The Christian Science Monitor* for Thursday, January 9, to the effect that the Prime Minister advised Foreign Minister Riyad of Egypt that "Israel is clearly an expansionist country" and that the western world must wake up to this before the Middle East blows up again.

Mr. Speaker: Order, please. The right hon. gentleman knows the question should be asked directly rather than by way of confirmation of an article.

Mr. Diefenbaker: Knowing now what the article and John Cooley's report says, I am sure the Prime Minister would welcome the earliest opportunity to deny such a preposterous conclusion.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I think the right hon. gentleman is doing exactly that, denying such a preposterous conclusion. I do not know where the blame should lie, whether it should be with *The Christian Science Monitor*, with its reporter or with second or third hand information, but I never said anything closely resembling that. My thoughts are not at all along those lines.

Some hon. Members: Hear, hear.

FINANCE

POSSIBLE INTRODUCTION OF CAPITAL GAINS TAX

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct this question to the Minister of Finance. In view of persistent rumours today in the financial markets that the government is contemplating the introduction of a capital gains tax in the near future, I am sure the minister would like the opportunity of denying what I hope is a preposterous rumour.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, my hon. friend, as a former creator of rumours, knows that no one should pay any attention to them.

Some hon. Members: Hear, hear.

Mr. Hees: I am very glad to know that this rumour is not nearly as well founded as those I used to create.

ESTATE TAX ACT

INQUIRY RESPECTING BASIC EXEMPTION AND RATES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I too should like to direct a question to the Minister of Finance. Has he now increased the basic exemption under the estate tax from $20,000 to $50,000 and have the rates been modified since he disclosed the change in his budget?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

ADMINISTRATION OF JUSTICE

TORONTO—HOLDING OF INDIAN GIRL IN JAIL

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct my question to the Minister of Indian Affairs and Northern Development. On January 24 I was promised an answer to a question I had asked about an Indian girl who was incarcerated in the Don

Jail in Toronto. Is the minister now in a position to reply?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am now in a position to answer the question directed to me by the hon. member the other day, with respect to the holding of an Indian girl in jail.

That Indian girl left her reserve in British Columbia and travelled across Canada. Unfortunately, she was put in jail on a theft charge and was held there for some time. She did not inform the department and did not ask for assistance. We learned about her incarceration in the press.

We have services available to Indians who get into situations such as that one but we have to be informed before taking action. Unfortunately, the departmental officials were not aware of the plight of that poor girl.

[*English*]

Mr. Gleave: Would the minister, together with the appropriate departments of justice, set up some procedures that would take care of such situations?

[*Translation*]

Mr. Chrétien: Mr. Speaker, it is impossible for us to know the whereabouts of every Indian in the country, even if he is incarcerated. In this case, the person concerned was a girl of full legal age who had changed her name. Unfortunately, we were not informed of her sad situation.

The department has services available to Indians who find themselves in such desperate situations but, unfortunately, the girl in question did not consider it necessary to resort to them.

[*English*]

Mr. Les Benjamin (Regina-Lake Centre): Did the minister ascertain during his investigation whether or not the girl in question was made aware of her rights and given an opportunity to get in touch with him or his department?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I think that this question should be asked of the people in charge of the administration of justice within their province.

[Mr. Gleave.]

[*English*]

STUDENT LOANS

CURTAILMENT OF GRANTS TO FOREIGN STUDENTS ENGAGED IN DISORDERLY ACTS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether the government is giving consideration to the curtailment of grants to foreign students attending Canadian universities under government auspices who engage in activities involving breaches of the peace, bloodshed and other acts of disorder?

Mr. Speaker: Order, please. I think the question is of a general nature. If the hon. member feels there is urgency he may wish to have it discussed at the time of adjournment.

Mr. Nesbitt: Mr. Speaker, I might add that I have reference particularly to the unfortunate events which took place this morning at Sir George Williams University in the city of Montreal.

Mr. Lambert (Edmonton West): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs. If he will come forward I will ask it.

Mr. Speaker: Order, please. While the minister proceeds forward, the Chair recognizes the hon. member for Huron.

ESTATE TAX ACT

INQUIRY RESPECTING BASIC EXEMPTION

Mr. R. E. McKinley (Huron): Mr. Speaker, I should like to ask the Minister of Finance whether he can now say he intends leaving the estate tax exemption at $50,000 instead of changing it to $20,000?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, that is not the case at all. I tried to table the explanation but hon. members opposite did not want it.

Mr. Diefenbaker: You tried to confuse the issue.

Mr. Benson: I should like to point out also that copies of this explanation will be available in the members' lobby as soon as they leave the house. What has happened is that estates under $50,000 will not be subject to estates tax, but there has been no change in the high exemptions. The high exemptions that were in the estate tax provisions are still there, that is, $20,000 plus $10,000 for every—

Mr. Speaker: Order, please. I think this kind of detailed discussion is the type which should take place when the bill is before the house and is not now in order.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in view of the minister's answer, and I know he did not intend to mislead the house, is it basically correct that estates under $50,000 will not be taxed and that the old rate which existed prior to October is being restored?

Mr. Speaker: Order, please. Let me suggest to hon. members that this is precisely the debate which I assume will take place when the bill is before the house. I do not see why exceptions should be made to the general rule in respect of something which has obviously been made an order of the house.

Mr. Woolliams: With the greatest respect to Your Honour, I think there may be a misunderstanding as a result of the minister's terminology in answering the question. He left a rather ambiguous impression in answer to the question, "would it not be correct...?" I think he appreciates that fact and I hope Your Honour will, with your great wisdom, give the minister an opportunity to make a correction.

Mr. Speaker: Order, please. It is difficult to resist such a plea.

Mr. Benson: If I may speak to the point of order, I believe my answer was quite correct. The exemptions have not been raised and estates under $50,000 will not be reduced because of estate tax. This is similar to the situation which existed before. Under the new system the high exemptions have not been changed. If someone has four children, for example, there may be a $100,000 exemption plus anything left to the wife, which is also exempt.

GRAIN

VANCOUVER, B.C.—EMPTY SHIPS LEAVING PORT

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce whether he can indicate to the house that the reports of grain ships leaving Vancouver harbour empty are accurate?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have already answered that question on an earlier day when I confirmed that indeed two ships had left or were about to leave. In one case arrangements were made for the ship to return later to pick up the grain.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, does the minister expect that he will soon be in a position to announce a new sale of Canadian wheat to red China in proportion to the recent sale by Australia amounting to $137,500,000 for 2,250,000 tons?

Mr. Pepin: Mr. Speaker, the sale by Australia proves that there is a constant demand for wheat in China. The Wheat Board will be continuing its effort to get a fair share of that market. I should point out "en passant", as Sir John A. Macdonald used to say, that under the agreement with China I announced a few months ago, Canada is selling seven million bushels a month to China compared with 6,600,000 sold by Australia. This also demonstrates that China believes in a two-source system.

Mr. Mazankowski: Mr. Speaker, could the minister advise the house when his explanations and rosy promises will be replaced by new wheat contracts?

Mr. Speaker: Order, please. The supplementary question is argumentative.

PUBLIC BUILDINGS

VILLENEUVE, QUE.—SUBVENTIONS IN 1967

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, can the Minister of Finance indicate what municipalities in the constituency of Villeneuve received subventions in 1967, and the amount of these subventions, in respect of buildings owned by the Crown, erected on lands covered by 99-year lease arrangements—

Mr. Speaker: Order, please.

Mr. Tétrault: —accorded by private companies as well as for Crown-owned buildings—

Mr. Speaker: Order, please.

Mr. Tétrault: —erected on lands belonging to the Crown?

Mr. Speaker: Order, please. The hon. member's question should be placed on the order paper.

Inquiries of the Ministry

FINANCE

SECURITIES COMMISSION—ISSUING OF TREASURY SHARES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, last October the Minister of Consumer and Corporate Affairs and his officials had meetings with provincial authorities concerning a national securities commission. He indicated that a decision in respect of legislation would be forthcoming. Has a decision been made and will the legislation cover the issuing of treasury shares without the protection provided by a prospectus?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, as a result of the meeting to which the hon. member has referred we agreed to bilateral discussions with the provinces. As I announced, we are preparing a securities measure for discussion with the provinces and presentation by this government. I think it would be quite inappropriate for me at this point to suggest what may or may not be in the bill or covered by this measure.

WINTER WORKS

DEPARTMENTAL ACTION ON REFORM PROGRAM

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. In his consideration of the brief from the Canadian Federation of Mayors and Municipalities did the minister decide what action his department will take on the reform program mentioned in that brief to replace the winter works program?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, it is not intended to introduce a new program at this time.

Mr. Lundrigan: Mr. Speaker, will the minister indicate whether this information has been communicated to that body, that is, that the government is not acceding to the recommendations and proposals contained in the brief?

Mr. MacEachen: Mr. Speaker, I will be glad to look into this point and see that this body is advised.

RESEARCH

UNIVERSITIES TAKING OVER MOUNT KOBAU OBSERVATORY

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, I should like to ask the Acting Minister of Energy, Mines and Resources what answer the minister is prepared to give to the universities of western Canada which recently requested an opportunity to take over the Mount Kobau observatory?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this subject—

Mr. Speaker: Order, please. I am not sure that the matter is of immediate urgency. The hon. member might want to discuss the question at the time of adjournment.

ADMINISTRATION OF JUSTICE

HAL BANKS—DEPORTATION FROM UNITED STATES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to ask the Prime Minister a question. In view of the circumstances under which Hal Banks received a form of absolution from the secretary of state of the previous United States administration, and the fact that I am informed this matter is now being considered in the United States Senate, particularly having regard to the $100,000 paid to the Democratic party campaign funds immediately after the order, will the government now give consideration to asking the present United States administration to review the order made by the previous administration so that Hal Banks will be given the opportunity to secure justice in Canada?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I am not sure, again, whether this is a question of immediate urgency, but I hesitate to ask the right hon. gentleman to return at ten o'clock tonight. Perhaps it might be easier to allow the right hon. Prime Minister to reply.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I plan to be here at ten o'clock anyway; there is going to be a vote. But perhaps it is just as well to get this over with. Our position on this matter was stated to the previous administration. We are taking the view that the government of the United States, in spite of the fact that there has been an election, is still the government of the United States, and decisions taken by the previous administration will continue to be respected by us. Of course, if the present government of the United States wants to do things on its own initiative we will be anxious to co-operate, as the right hon. gentleman says, to ensure that justice be done.

Inquiries of the Ministry

EXTERNAL AID

BIAFRA—AVAILABILITY OF AIRCRAFT FOR RELIEF PURPOSES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I would like to address my question to the Secretary of State for External Affairs. In light of the fact that the United States government has recently made four *Globemasters* available to the churches' relief operations from Sao Tomé to Biafra, will the government consider doing likewise so that the massive starvation in that country may be relieved?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government has no such intention at the present time. As the hon. gentleman knows, our relief efforts are being centred on the International Committee for the Red Cross. That continues to be government policy.

Mr. Brewin: A supplementary question, Mr. Speaker. Has the government given consideration to making Hercules aircraft available to the newly organized Red Cross airlift from Dahomey into Biafra?

Mr. Sharp: Mr. Speaker, it would be helpful all around if the Biafran authorities would agree to daylight flights. Then a great deal more food could be provided, and the Hercules aircraft provided by the Canadian government would be available.

Mr. David MacDonald (Egmont): Mr. Speaker, there seemed to be some confusion the other day about the actual disposition of the food supplies at present being loaded for Nigeria and Biafra. Could the Secretary of State for External Affairs clarify where the shipments will be deposited for eventual unloading in Biafra? Will it be Fernando Po, Dahomey, or where will these food supplies be going?

Mr. Sharp: Mr. Speaker, my understanding is that the International Committee for the Red Cross have given up any further efforts, at least temporarily, to make use of the equatorial Guinea airport. They have now obtained the approval of the Dahomey government to use an airport there, which is about the same distance as Sao Tomé from the needy areas. I am sure they will rearrange their food supplies so as to be able to deliver them.

WOMEN

INFORMATION RESPECTING PRESENTATION OF REPORT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Secretary of State related to the question I asked him on January 20 regarding the Royal Commission on the Status of Women. Has the minister now had an opportunity to look into the matter, and, if so, can he advise the house when he expects to have a report from this commission?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, unfortunately, I am not better informed about when the report will be submitted than I was when the question was first put to me.

[*English*]

Mr. Alexander: A supplementary question, Mr. Speaker. Has the minister looked into the matter? The way he has answered my question leaves me in some doubt in that regard.

[*Translation*]

Mr. Pelletier: Mr. Speaker, I wonder why the hon. member should have any doubt.

[*English*]

BILINGUALISM AND BICULTURALISM

BROADENING OF INQUIRY RESPECTING LEAKS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to ask the Prime Minister whether he will discuss with his colleague, the Solicitor General, the possibility of enlarging the inquiry which the Royal Canadian Mounted Police is making into the leakage of documents from the B. and B. commission to cover the leakage of documents filed by the task force on housing, and also seconding the Minister of Transport in order to facilitate any inquiries which may be made?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, if this is a formal demand by the opposition I would be very glad to consider investigating it.

RESEARCH

PAIT—CHANGE OF PROVISIONS AND TERMS OF REFERENCE

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Recently, in answer to a question I put on the

order paper, the minister indicated that he is considering changing the provisions and terms of reference of the PAIT civil development program. Would he consider making a statement on motions in the near future regarding when we may expect changes in this research and development program?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, may I suggest, with respect, that this might be a good subject for discussion when the bill relating to the reorganization of the department is introduced, or at ten o'clock.

Mr. Lewis: When will that bill be introduced?

Mr. Broadbent: A supplementary question, Mr. Speaker. Would the minister care to indicate when we may expect that development?

Mr. Pepin: Soon, Mr. Speaker.

SPORTS

HOCKEY—GAME BETWEEN RUSSIAN TEAM AND MONTREAL CANADIENS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, in view of the Prime Minister's well known interest in sport and the fact that the Russian national hockey team is playing the Canadian national team in Ottawa tonight, will the Prime Minister use his good offices to arrange an exhibition game between the Russian team and the Montreal Canadiens before the Russian team returns to Moscow?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the hon. member should know that I am more interested in football than in hockey.

Some hon. Members: Oh, oh.

NATIONAL PARKS

BONNE BAY, NFLD.—SUSPENSION OF OPERATIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development, of which I have given notice. In view of the urgent representations with regard to the suspension of operations in the proposed national park in the Bonne Bay area of Newfoundland, can the minister give me the reasons for this shutdown and can he also disclose whether work on the park will restart this year?

[Mr. Broadbent.]

Mr. Speaker: Order, please. I am not sure whether this is the type of question that should be answered now. However, the minister seems very anxious to reply and perhaps hon. members would agree that he might do so.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. member for giving me notice of his question.

The discovery of silica deposits in a particularly important area of the projected park incited provincial authorities to launch an intensified mining exploration program. Until the exploration work is completed, the staff of the national parks branch has stopped working in that area and has undertaken other tasks.

As soon as the provincial authorities have completed their assessment of the region's possibilities and decided what area can be put aside for a national park, that is to say late in 1969 according to their forecasts, the Historic Sites and Monuments Branch will study the project in the light of information given by the province.

[*English*]

CANADIAN BROADCASTING CORPORATION

CANCELLATION OF PROGRAM "FESTIVAL"

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Secretary of State. Could the minister tell us why the C.B.C. television program "Festival" was suddenly cancelled last night shortly before it was scheduled to be shown on the air?

Mr. Speaker: Order, please. I suggest to the hon. member that this question should be placed on the order paper.

HEALTH AND WELFARE

MANITOBA—OPTOMETRIC AND CHIROPRACTIC SERVICES IN MEDICARE PLAN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare and is based on the announcement that Manitoba will enter into the medicare plan on April 1. The minister was here but in his absence perhaps I could ask the question and his parliamentary secretary will take note of it. In view of the report that the cost to Manitoba

for the first year—the figure has been given in the report—includes coverage of optometric and chiropractic services which are to be covered by the established premiums, could the minister confirm whether the federal government has agreed to this, and at the same time could he comment further on my question of Monday, January 27?

• (3:30 p.m.)

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I shall take this question as notice and the minister will no doubt be able to reply to it Monday.

[*English*]

SHIPPING

CLOSING OF LACHINE CANAL

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Transport or to whoever is acting for him today. There is an element of urgency in the question because an interim injunction relating to the matter in question expires either today or tomorrow. Does the minister plan to take any action to ensure that the Lachine Canal is not closed off and filled in?

Mr. Speaker: Orders of the day.

Mr. Howard: Mr. Speaker, perhaps in the absence of an answer I could address a supplementary question to the government house leader. In view of the fact that no one appears to be available who has any responsibility in the field of transport, would the minister take whatever steps he has at his disposal to see that this matter is referred to an appropriate committee for a thorough examination?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I think I can reply to that question, Mr. Speaker.

In fact, steps have been taken to terminate projects which had already been discussed in connection with the Lachine Canal and, according to my information, nothing will be done to change the present situation during the next few months.

[*English*]

In other words the proposed changes are being delayed for reassessment.

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, may I be permitted to ask the President of the Privy Council what the order of business for the remainder of this week and for next week will be.

Mr. Macdonald (Rosedale): Mr. Speaker, tomorrow we propose to call a vote on the estate tax resolution which was presented today. Then we will call second reading of the bill to amend the Prairie Grain Advance Payments Act, and further stages if possible. When that is disposed of we will deal with the bill to amend the Customs Act, which is under the direction of the Minister of National Revenue. On Monday next we will call the report stage of the bill to amend the Aeronautics Act, to be followed by the report stage of the bill to amend the Navigable Waters Protection Act. On Tuesday we will call second reading of the bill to amend the Estate Tax Act, and we contemplate calling that measure on Wednesday and Thursday if that is necessary in order to dispose of all stages of the bill. If we find we are making better progress, I will make a statement later in the week.

Mr. Lewis: I have a supplementary question. The President of the Privy Council, in answer to questions regarding when we might expect the government reorganization bill or bills, has said more than once that he would be able to tell the house today, I think, about that legislation, which is obviously of tremendous importance and to which ministers continue to refer. Can we have word on when that bill or bills may be expected?

Mr. Macdonald (Rosedale): I am very hopeful of having it in the house within two weeks.

[*Later:*]

Mr. Broadbent: Mr. Speaker, I have a question for the Prime Minister which is supplementary to the question I put earlier to the Minister of Industry, Trade and Commerce. Would the Prime Minister care to make a statement now or in the near future on whether the government intends to establish a ministry of science?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, there is no question of our establishing a ministry of science.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

SECOND ALLOTTED DAY—NON-CONFIDENCE MOTION—ALLEGED FAILURE TO PRESENT ECONOMIC PROGRAMS TO REDUCE UNEMPLOYMENT

The house resumed, from Wednesday, January 29, consideration of the motion of Mr. Stanfield (p. 4901) and the amendment thereto of Mr. Lewis (p. 4911).

Mr. A. D. Hales (Wellington): Mr. Speaker, when the house adjourned last evening we were debating the non-confidence motion put before the house by the Leader of the Opposition (Mr. Stanfield), and in order to have some continuity in the debate it might be wise at this time to read the motion. It reads as follows:

> That this house regrets that the government is not presenting programs to achieve a rate of economic growth which will reduce unemployment and also ensure that the economy will be able to absorb the large number of new entrants into the labour force this year.

An amendment was moved thereto by the hon. member for York South (Mr. Lewis). I had been speaking particularly about the young people who are facing very bleak employment propects this summer. I refer to the graduates of universities and community colleges, to the undergraduates and to high school students as well as those young people who have left school and are called drop-outs. This group of people constitutes the largest percentage of unemployed in Canada, namely, 15.2 per cent.

I closed my remarks last night by bringing to the attention of the house some of the wonderful programs that were started by the party I represent to overcome and to alleviate the unemployment situation. I referred to the winter works program, the municipal loan program, which we give credit to the Liberal government for introducing, the subsidies to the winter housebuilding program, which the Conservative party introduced, and the great shelf of public works programs which we left for the incoming administration. All these programs have disappeared. They are gone and there is nothing to replace them.

There are many disparities in unemployment in various regions, but the one disparity on which I propose to speak this afternoon in the short time available to me concerns the young people, as I said earlier. Possibly this

came to my mind because I represent an area where many universities are located. In my riding there is the University of Guelph. Fifteen miles distant is Waterloo University and Waterloo Lutheran University, and 30 miles south is McMaster University. So it is a very well serviced area so far as universities are concerned. Naturally my concern, therefore, is for graduates, undergraduates and other young people, as well as for all unemployed people, of course.

Eight days ago the Leader of the Opposition asked the Minister of Finance (Mr. Benson) whether he would submit to the house on motions what plans the government has to take care of this vast number of people who will soon be on the labour market. The Minister of Finance replied as follows:

> I believe that Canada will be able to absorb all the good young people whom our universities can produce in the future.

If he means that, we want him to come forward with some programs and ideas on how he proposes to do this. It is incredible to me that a government which has boasted of its appeal to youth and its desire to involve youth in national affairs could be so callous as to turn its back upon youth and in fact say to these young people: "Look after yourselves". I am afraid the only involvement of youth under this government is likely to be involvement in unemployment. Certainly students have no bright outlook for job prospects this summer.

The employment picture for Canadian students is "very bleak", according to W. H. Rutledge, president of the University Careers Planning Association, when speaking last November. He and his association have urged the government to set up a national student summer employment program, with which I heartily concur.

Let us think of the number of ways in which this government can project some ideas and some ways in which to employ students this summer. I am thinking of the municipalities across this country which have summer recreational programs under way. They cannot get the people to lead and direct these programs because they do not have the money with which to pay them. Some government assistance in this direction would help. There are government research programs that could be extended which could employ many of these students. We must also think of the large national parks system of the federal government and of the great amount of work there is to do in developing and extending

these national parks, work in which many of these students could be employed.

• (3:40 p.m.)

Something should be done to persuade industries, if possible, to reconsider their decisions to close down completely for two weeks at a time.

There are three main groups of young people about whom we should be especially concerned. There are the students who will graduate from universities in Canada this spring, an estimated 88,000. To this number should be added graduates from community colleges, who will add another 18,000 young Canadians to those seeking employment. Then there are the undergraduate students who need summer employment to enable them to continue their education. According to D.B.S. figures there are 204,000 of these students, and they will be on the labour market this spring. Last year, 74,000 of them never found jobs. I am sure we have all noted the growing numbers of students who need summer employment so as to meet, or partly meet, the cost of their education. It is true some of them are fortunate enough to have scholarships or well to do parents, but the great majority require at least part time summer work to pay for their board and tuition fees which in Ontario amount to approximately $2,000 a year.

Then there is the problem presented by young people who cannot be classed in any significant number among university undergraduates or graduates. Figures supplied to this house by the Department of Manpower and Immigration in relation to this group indicate the proportions of the difficulty of finding work for them. The figures I am about to put on record relate to unemployed persons in Canada between the ages of 14 and 19. This age group roughly covers high school students and so-called drop-outs. In June of last year there were 153,000 unemployed in this group. By July the figure had fallen to 143,000. Of the 153,000 unemployed in June, 13,000 were in the Atlantic provinces, 14,000 in the province of Quebec, 30,000 in Ontario, 14,000 on the prairies and 19,000 in British Columbia. This total figure of 153,000 had risen from a total of 111,000 in June, 1967. It is estimated that the figure will increase to more than 180,000 in 1969, and it is quite conceivable that it will be as high as 200,000. When these unemployed youths, largely non-students, are added to the number of undergraduate job seekers and graduates seeking permanent employment, a formidable figure is reached and it becomes apparent that the youthful unemployed pose a problem of major proportions.

I would be interested, as I am sure all hon. members would be, to hear what plans the minister and his colleagues have to meet this huge and legitimate demand by Canadian youth for a place in the economy. If the minister can announce some concrete program in this regard he will be setting an example for his party, and we shall be looking forward to hearing his plans concerning this vital bread and butter issue.

Some hon. Members: Hear, hear.

Mr. Hales: A survey taken by the *Financial Post* last fall disclosed that this year the increase in available jobs would run well behind the output of graduates. To make matters worse, potential employers are becoming very selective. The demand has narrowed to three or four faculties such as business administration, computer science, geology, mining engineering and the like. Student graduates in general arts and social sciences, civil, mechanical and electrical engineering face narrowing prospects.

What does the government propose to do about this situation? Should there not have been greater co-operation between the universities and the government? I suggest the government should have asked the universities to tailor their courses to meet the employment demand. However, little seems to have been done in this direction. Mr. V. C. Martell, manager of the Canada Manpower Centre at Dalhousie University, is reported as having said:

> It looks as though the general arts students, particularly the girls, are the ones who will suffer most. And we are producing more of them than anything else.

What we should like to hear from the government right now is evidence that hon. gentlemen opposite have a plan to meet this situation. We want positive action, a crash program. For goodness sake don't tell us that another task force is to be set up. We have had enough of them. We want action. Jobs for students cannot be regarded as a form of aid. Jobs for students represent an investment in Canada.

The Economic Council of Canada has brought this question sharply into focus by saying it is imperative to educate our young people and then put that education to the fullest possible use. This is as important to us as are the calls of national defence. Last

year the government was the principal user of Canadian graduates, hiring some 650. What will the number be this year? The forecast is that only 250 students will be hired all over Canada. Why is there this reduction at the very time we should be going all out to find jobs for as many Canadian students as possible? I hope we shall not be told that there is no money available for this purpose. If the government had not been so careless with some of the money it has dissipated, money would have been available to provide these jobs.

Consider one or two examples: First, the National Arts Centre in Ottawa, estimated to cost $10 million but now to cost $50 million, $40 million more than had been estimated. If we gave students jobs, say at $1,000 for this season, which would be like pennies from Heaven for them, $40 million would create 40,000 student jobs. Just think of it! What about the cost of operating the Prime Minister's office which has increased by some $200,000—

Mr. Speaker: Order. I must interrupt the hon. member because his time has expired, unless he has leave to continue beyond his allotted time. Is that agreeable?

Some hon. Members: Agreed.

Mr. Hales: Thank you. This subject is dear to my heart and I should like to expound on it further for a minute or so. I was about to say that had the increase in the cost of running the Prime Minister's office been applied to providing jobs for students it would have given employment to 200 students at $1,000 each.

Industrial employers also are not hiring as many students as formerly. The reason is partly to be found in changes in techniques, in products manufactured and in the structure of many industries, particularly those concerned with service. But these are changes of which the authorities have been aware for some time. The Minister of Manpower and Immigration (Mr. MacEachen) and the Minister of Labour (Mr. Mackasey) have known about them for a long while and should have been taking steps to solve the difficulties which are now confronting us.

Our young people are faced this year with a situation in which fewer firms are hiring fewer people. It is as simple as that. The government has failed lamentably to meet the challenge presented by our eager young people. It has filled the air with inconsequential issues, with dialogues and promises. Its members have had new offices built for them, have buttressed themselves with large staffs made up of defeated candidates and have given handsome salary boosts to their key officials. And this at a time when young people will be looking for jobs this summer, positions which they are entitled to find.

• (3:50 p.m.)

In the meantime we have watched our fishing industry sink into ruin. The once great flow of Canadian export wheat has slowed to a trickle, and struggling family farms and businesses are now threatened with extinction by taxation. The tabling today of the proposed changes in the Estate Tax Act may help the situation, but this tabling has been brought about by the pressure applied by the opposition, the press and the public generally. Incidentally, I am pleased to see that the Minister of Finance is present in the chamber.

Although there are practical difficulties, if the right thinking is applied I am sure they will be overcome. However, many of our young people have been promised so much by Liberal governments but have received so little. For example, about six years ago the then Prime Minister, the right hon. Mr. Pearson, stated that all students in Canada would be given an opportunity to benefit from 10,000 scholarships of $1,000 apiece. This promise was made in each subsequent election campaign. Surely some of that money can be used in overcoming the problem of summer unemployment.

In conclusion, I urge the house to start thinking about people as human beings for once and to stop trying to shuffle them around and regiment them as though they were only figures in a ledger. I suggest a good place to start would be with our young people. A practical and effective program for the young Canadian job seeker would be the best way of starting. I will have no hesitation in supporting the motion of non-confidence which is before the house at the present time.

Mr. John Gilbert (Broadview): Mr. Speaker, I welcome the opportunity to participate in the debate on the motion and the amendment thereto because it gives me an opportunity to discuss in depth the housing policies that this government has failed to present, as well as those policies that are conducive to a climate of full employment and economic growth.

Yesterday, Mr. Speaker, you will recall that I made some remarks about the task force on housing and raised the hackles of some government members when I suggested that the report was a colossal fraud on the Canadian public and an outrageous expenditure of time, effort and money to underline for Canadians something they already knew, namely, that we have a housing crisis in Canada and that the federal government should take the role of leadership in attempting to solve it. The disappointing feature of the report of the task force on housing and urban development is that it constituted a position of "stand-patism" by the government. It retained old methods of financing and fixing interest rates and continued to ignore the groups that need help the most, namely, our senior citizens and those in the lower income brackets.

The recommendations in the report to the effect that public housing would be held up in order to conduct research into economic, social and psychological issues and that no further projects would be undertaken until the study was completed and, further, that urban renewal would be stopped until housing starts increased, came as shocking news not only to the members of this party but to all interested and concerned groups across the country. When we heard the Minister of Finance (Mr. Benson), in reply to the Leader of the Opposition (Mr. Stanfield), say that he would study, and that was all, the recommendation regarding abatement of the sales tax, it reinforced our thinking that little or nothing would be done in this session to solve the housing crisis.

When one reads the report of the task force on housing and its declaration of principle that every Canadian should be entitled to clean, warm shelter as basic human right, certainly one is touched. When one reads the statement of the Canadian Welfare Council declaring that all Canadians have the right to be adequately housed whether or not they can afford it, again this principle is underlined. We in the New Democratic party state that housing is a basic necessity of life similar to education and medical services, and that all Canadians are entitled to decent housing, whether they can afford it or not. It would appear that most Canadians are in agreement with these general basic rights, and this brings up the question: Why the shortage of housing today?

I am going to enumerate very shortly five reasons which I put before hon. members for their consideration. First of all, the housing shortage, I submit, is due to the failure of the government to accept the leadership role in housing. In the past the government has played the role of the friendly banker only and has sheltered under the umbrella of the constitutional defence in order to take little or no action in this important field.

Second, the government has failed to assess our national housing needs and to ensure adequate financing. It appears quite obvious that the minister was far more successful in twisting the arms of the military in regard to integration than he has been in twisting the arms of the financial community in regard to adequate housing.

The third reason is the failure of the government and its policies to control interest rates. Yesterday I heard the Leader of the Opposition urge the government not to lift the ceiling on interest rates, which does appear to be the attitude and aim of the government, and I am wondering just how high interest rates can go. At the present time the government rate is 9⅜ per cent and conventional rates range between 9½ and 10 per cent.

My fourth reason is the failure of the initiatives, incentives and policies of the government in regard to public housing, urban renewal, senior citizens housing, co-op housing, and special housing projects for our Eskimos and Indians. The failure of the government to enunciate its policies in this connection was underlined at the federal-provincial conference last year, and in the meatime the government has taken little or no further action.

My fifth reason is the failure of the government to develop a social conscience toward the need for adequate housing. The government's selfish and limited view that housing should be regarded only as an economic regulator or as a private profit-making industry has caused some stress and shortage in the housing field. These, Mr. Speaker, are the five main reasons for the failure of the housing policies of the government in Canada today.

• (4:00 p.m.)

The report makes many recommendations, most of which will have to be implemented by municipal and provincial governments. However, some of them could form the basis of a federal housing policy, and the government ought to act on those immediately.

Alleged Failure to Reduce Unemployment

One may ask what the New Democratic party would do to solve housing problems if it were in a position to do so, and I shall tell hon. members some of the steps we would take. Hon. members will recall that the report of the task force on housing says that the housing needs of most Canadians ought to be met through the private market. The past performance of the private market shows that it can only meet the needs of about two-thirds of our people. The other third cannot buy homes because of high land costs, high material costs and high interest rates. They are left to the four winds of heaven when it comes to housing. Roughly one-third of our population cannot afford houses. We in the New Democratic party say that all Canadians ought to be entitled to houses as a matter of right. Housing is a basic human right, and whether or not a man can afford a house he is entitled to be housed.

We submit that 250,000 new homes ought to be built in 1969 if we are to take care of present needs and the housing shortage which has accumulated throughout previous years. The Economic Council of Canada said in its report that we ought to build 200,000 homes a year, that we need 190,000 homes a year to take care of present needs and 10,000 to replace older homes which need to be torn down. Yet the record of this government in the housing field has not been too good. In 1966 about 134,000 homes were built, in 1967 the figure was 164,000, and in 1968 it was 196,000. It is obvious that Canada has a shortage of approximately 150,000 homes. That is why our target for new homes for this year is 250,000.

The New Democratic party would ensure, through legislative measures if necessary, that a steady flow of money from financial institutions is made available to meet our housing needs. Many financial institutions have not been investing in mortgages but in other fields. The housing report indicates that insurance companies invest 50 per cent of their funds in mortgages, trust and loan companies 60 per cent, banks 3.3 per cent, and pension funds 9 per cent.

Recent statements by insurance companies show they are reluctant and hesitant to invest in mortgages. There is no assurance that they will in fact invest in the mortgage field. We ought to make certain that an adequate proportion of the funds available from financial investment portfolios is applied to the mortgage field. Financial institutions ought to invest more of their funds in mortgages. At present 42 per cent of the moneys needed for community investment in housing comes from private financial institutions. Forty per cent of housing costs are met through down payments and other means of private financing, with the government meeting the other 18 per cent. We feel that the contribution of 18 per cent by the government ought to be increased to at least 25 per cent.

The report indicates that the government is satisfied with the 42 per cent supplied by private financial institutions. We are not satisfied with that figure and we do not think that the Minister of Transport (Mr. Hellyer), by exerting gentle persuasion on the financial institutions, can ensure a steady flow of moneys into the mortgage market. I say that because of past performances we have witnessed. The minister invited representatives from a number of private financial institutions to Ottawa not long ago, the idea being to persuade them to invest more money in housing. He did not persuade them and in September had to obtain $170 million from the Canadian people to invest in housing. Our performance in housebuilding has not resulted from the performance of our financial institutions; it has resulted from government initiative in this field.

The New Democratic party also feels that churches, trade unions and other social organizations should be asked to harness their financial resources to help our nation's human needs. The National Housing Act has performed poorly in supplying homes for our senior citizens. Too little housing falling within the limited dividend category has been built. I am disappointed with the record of the churches. Their contribution toward the financing of homes has been poor. I am also disappointed with the performance of our trade unions in this field. They have made too little money available for housing. All these organizations ought to take a far more active part in this field in the future than they have taken in the past.

Present-day interest rates are nothing less than usurious. Interest rates are determined, apparently, by what the market can bear and not by the supply of money. I recall attending a symposium in Toronto set up by the former minister of labour, Mr. Nicholson. We heard Mr. David Mansen, one-time president of C.M.H.C., say that in this country mortgage money has never been in short supply. He said Canadian financial institutions have money flowing out of their ears. High interest rates have tended to limit borrowing. Many

of our institutions have priced themselves out of the market by asking for too much interest on loans. In short, people are just not buying.

The New Democratic party says that no Canadian ought to pay more than 5 per cent or 6 per cent interest on any mortgage loan. If any Canadian must pay more than 5 or 6 per cent on his mortgage we submit the government ought to subsidize the home owner by an amount equal to 50 per cent of the extra interest the home owner has to pay. Such a provision ought to apply to homes up to $25,000 in value. If a man had to pay 10 per cent on a first mortgage the government would pay half the difference between 6 per cent and 10 per cent, or 2 per cent. Economists say that such a program would cost the government only $50 million to $60 million a year, an insignificant amount when we consider the $1.5 billion we spend on defence every year.

Of course, our high interest rates are in part also caused by our fixed rate of exchange. It is said that high interest rates attract foreign capital to this country. Let me remind you, Mr. Speaker, that very little foreign capital entering Canada is applied to the housing field at the present time. I think it will be conceded by some that we ought to have a floating exchange rate. At any rate, that is our party's position on the question of interest rates.

High land costs have been and still are a significant factor in housing costs in Canada. The policies of this government have encouraged land speculation. At the same time the government ignored the recommendations of the Carter commission with regard to taxing capital gains. When I heard a Conservative member ask the Minister of Finance (Mr. Benson) this afternoon about the possibility of the government introducing a capital gains tax, and say that this was a preposterous idea, I wondered whether he was expressing the opinion of some of the members from Newfoundland and Nova Scotia where there are areas of great poverty. How do those members feel about a capital gains tax? We in the New Democratic party feel it is necessary to propose such a tax in order to cut down on land speculation.

• (4:10 p.m.)

We in the New Democratic party also feel that a land bank is necessary. The government should use huge amounts of money to acquire land and make it available to cities and other municipalities which, in co-operation with their planning departments, would be able to establish regular building schemes to take care of their particular needs.

Our party's insistence on the setting up a Crown building corporation is one of the striking features that separates us from the other parties. You will remember, Mr. Speaker, that during the debate on the drug bill one of our main planks was the setting up of a corporation to manufacture a certain number of drugs in order to stimulate a competitive price situation in which Canadians could get drugs at a reasonable cost.

We feel that a Crown building corporation should be established to specialize in senior citizens housing, public housing and research. Very little or no research is being done in the building field at present. We must take government action to set up a research department to incorporate all the new building techniques and materials into a building scheme. Private builders have neither the time, the money nor the inclination to develop this field. To say the least, their attitude with regard to public housing and senior citizens housing has been discouraging. This is why there is a shortage of housing for our low income groups and senior citizens. We propose the immediate establishement of a Crown building corporation to take care of these needs. We do so because it will require a large corporation to assume this responsibility and to get away from the row upon row of strawberry boxes that some builders erect nowadays.

When I read the recommendations of the task force on housing with regard to urban renewal and public housing it made me feel sad to think that a group of people could travel across the country, spend a few days in various cities, and come up with such recommendations. The task force recommended that no public housing projects should be continued until a full study is made of the social, economic and psychological factors involved in public housing. This totally ignores the successful public housing projects that have been undertaken in Great Britain and other European countries.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is it the pleasure of the house that the hon. member continue?

Some hon. Members: Agreed.

Alleged Failure to Reduce Unemployment

Mr. Gilbert: Thank you, Mr. Speaker, I shall take only about two minutes to conclude. The government's attitude to public housing is disappointing, to say the least. It is directly contrary to the trends that prevail in Great Britain and other European countries, and directly contrary to the policies enunciated by the United States.

The task force described public housing developments as ghettos. I say that was a wrong conclusion for it to reach. I have here a statement issued by the Canadian Federation of Mayors and Municipalities which says:

—the Federation wishes to make clear that:

—sweeping generalizations to the effect that public housing is a ghetto (in Canada) and that the majority of public housing residents are unhappy and dissatisfied with this form of housing assistance are without foundation;

—to deplore the high cost (per unit) of public housing projects and to conclude from this that less costly public housing only should be approved and financed by the public purse (through elimination of "trimmings", by providing fewer complementary amenities, etc.) is to move in the reverse direction to that which should and must be followed if public housing is to continue to exist in our arsenal of housing policies;

The task force's recommendation that urban renewal projects not be continued until an increase in the housing stock is available is also discouraging. It gives the impression that any urban renewal scheme involves the bulldozer approach, that a bulldozer goes in and knocks down all the homes in the area. This is not so. In fact, in my riding only part of an urban renewal area was treated in this way and loans were made available to the remaining home owners so they could improve their homes. To give the false impression that the bulldozer approach has always been applied and has produced bad results is again disgusting and disappointing.

I have had only a short time to set forth some of my criticisms of the report made by the task force and some of the policies that we in the New Democratic party would put into effect. I have not covered them all and I hope that shortly I will be able to spell them out more fully.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, all my life I have been interested in the unemployment problems, at first as a union man, then as Minister of Manpower and Immigration and now as minister designate of regional development.

[Mr. Deputy Speaker.]

I have studied unemployment problems affecting not only Canada, but other countries such as England, France, Holland, Germany and Italy. I have tried to find out how various governments attempted to deal with this plight afflicting our economic systems, especially our free economies and even those which are somewhat less free.

Like everyone else, I realized that, among the many types of government, whether they be socialist, liberal, conservative or even coalition, the only people offering an effective solution to the unemployment problem are those who are not in power, that is the opposition. This is true not only here in Canada, but in every other country. The opposition has adequate solutions. But naturally, once in office, they are faced with the same difficulties and, understandably, the solutions prove to be more difficult. In fact, I can very well understand the position of the opposition and I know what I would say if I were sitting across from here.

Ever since Confederation, the unemployment situation has been a continuous problem in Canada. The different governments have tried various methods to solve it. Attempts have been made to provide equal employment opportunities from Halifax to Vancouver and in Newfoundland, since it joined the Confederation. Mr. Speaker, the first step taken was to build railroads to join the eastern and western parts of the country in the hope of eliminating regional disparities and of creating new jobs. This was intended to achieve full employment.

• (4:20 p.m.)

We came to realize that this very generous and even brilliant idea of the Fathers of Confederation did not allow them to achieve the purposes they had intended. Then came the 1929 recession combined with unemployment which lasted from 1930 to 1940. In short it was only the war which made it possible to solve the chronic unemployment problem in Canada. An attempt was then made to discover new ways.

Following the report of the Rowell-Sirois commission, it was advanced that through a better distribution of the tax basis, and a larger share of the revenues to the provinces, we would no doubt restore that balance which was inexistent in our country and which was responsible for the development of certain areas and lack of it in others.

After a few years, we came to realize that even that formula was not satisfactory. It is

then that the governments—Conservative as well as Liberal—tried to set up special programs.

An attempt was made to create bodies which would enable us to restore the much sought after balance, which would reduce unemployment and which would mainly eliminate seasonal unemployment. All sorts of programs were developed, ARDA, FRED, PFRA in Western Canada and, special programs for the Maritimes. We endeavoured with all sorts of programs to alleviate regional disparities and seasonal unemployment, even to create a state of nearly full employment. After all these experiments, all these efforts, we realize that we have not yet struck at the root of evil since it still persists.

The situation is not perhaps as desperate as it was described. Of course, when one person who wants to work is unemployed it is a tragedy, but when 300,000 persons are involved it is a greater tragedy yet. However, if we admit that in an economy such as ours, a 3 per cent unemployment rate is acceptable, then a 4.7 per cent unemployment rate is not a tragedy for the country as a whole, in view of the excessive unemployment which prevails in the Maritimes and in the province of Quebec.

The tragedy exists in the Maritimes and in the Quebec area, below Trois-Rivières. A real human tragedy exists there and I agree with the opposition on that point. But I do not believe all the alarming statements made yesterday in this house are well-founded as regards the rest of Canada, where there is of course unemployment and underemployment, but where the situation has not yet reached the proportions of a crisis.

The efforts made have not proved satisfactory. The establishment of the Atlantic Development Board has undoubtedly been of great assistance, but that agency was also unable to solve the problem in the Maritimes.

It was therefore essential to find something else and that is what we have been striving at since the government asked us to look after regional development. And I say "us", as I was not the only one concerned, since efforts were made by the whole department. This is not simply a matter of creating a department with a reference to regional development in its name, but mainly of considering the passing of new legislation, of a new policy, in order to solve the problems that have proved until now unsolvable in spite of the willingness shown by the various governments that dealt with them.

There have been fragmentary efforts, such as the creation of DEVCO, to cope with underemployment and unemployment in a particular area of this country. There was the DOSCO experience, with the co-operation of the government of Nova Scotia, to prevent the situation from deteriorating, and the experience was a worthy one. But in spite of all those efforts, of unequal value, unemployment still exists in Canada.

I tried to go through the laws we are now administering. There is for instance the industrial development legislation, enabling us to promote industrial development in certain designated areas.

This law has been useful in the past but everybody realizes today its defects and its shortcomings.

For example, some cities that are relatively prosperous are located in a designated area and can get grants from the federal government.

The reverse situation is also possible. Indeed cities that suffer from economic depression cannot get grants from the federal government, because the area in which they are located cannot be designated.

We know that several millions were wasted in some areas of the country because our policies were inadequate. It was an experiment and if we had to do the whole thing over again, we would certainly not make the same mistakes. And here, I am referring to all the governments, because such attempts were sincere. When some hon. members state dramatically in this house that the government never did anything to fight unemployment, that it was not concerned about the jobless, they are indulging somewhat in demagogy. If they tell us, however, that it is not perfect, that the instruments are not sufficient and that the effort is not big enough, this I will concede immediately. This is what we shall attempt to do.

If the government is accused of doing absolutely nothing about unemployment and the unemployed, this looks more like demagogy than like serious argumentation.

No doubt remains when one studies the progress of social security in Canada and when one examines our whole social legislation. All this is intended to protect the workers against the possibility of unemployment, of disease and against the risks of life, in general. All the same, the situation in 1969 is different from what it was 25, 30 or 50 years ago.

Alleged Failure to Reduce Unemployment

Governments have passed a great number of laws, and labour is no doubt better protected today than it used to be. However, things are still far from perfect and will probably never be. I therefore share the fears of the opposition.

I do admit it might be possible, now, to improve the situation. So, how are we going to tackle this new regional development? I think our attitude is going to be slightly different from that of the federal government, so far, whether Conservative or Liberal.

Our efforts will probably aim—I am not referring to the possible content of a bill, but to some ideas that sometimes come into my mind—at developing centres of growth rather than expanding our resources in a huge area, at the risk of losing them. We should indeed try to concentrate our resources so as to provide each and every area, with poles of growth towards which those who seek employment would normally be attracted.

For instance, I find it absolutely unbelievable that almost all the Maritimes should be designated areas, except Halifax and a few other centres such as Dartmouth-Halifax and St. John, which had a normal trend toward development. Those cities were the only ones to be denied government grants for industrial development.

The same thing is happening in the province of Quebec. One of the most important human communities in the Quebec area, I mean the city of Quebec, is not developing though it is the natural center of a huge area that extends as far as the Lower St. Lawrence region. But the city of Quebec cannot benefit from the subsidies granted by the federal government.

The situation is the same for several other cities in the Maritimes, and in Newfoundland, of course. That explains the delay. We are seeking a new philosophy, to see if there may not be new ways of putting an end to unemployment in Canada or, at least, of reducing it, and seeing to it that its impact on human beings is not as severe as it has been in the past. I doubt that these will be magic measures.

I read the speech of the Leader of the Opposition (Mr. Stanfield) in which he says: At last, we have the formula. I know the Progressive Conservative program, and I admit it has some good points. However, I feel that the Leader of the Opposition is being very optimistic when he is so sure that those measures will produce the results he mentions. If it were possible, I would put him in office for three months to try out his formulas, after which time we might be able to have a more objective discussion. But, in any event, we will not run that risk. If that is the result of progressive-conservative party thinking, so much the better. I am even willing to use as a source of inspiration the good ideas suggested by the opposition. But, I doubt that anyone has found the magic formula, especially in Canada, which is a huge country, and very difficult to govern.

• (4:30 p.m.)

Some claim that a speedier or stronger intervention on the part of the State could put an end to unemployment. I should like to ask Mr. Wilson, the Prime Minister of England, how he managed to solve the unemployment problem in the United Kingdom, because, at the time of the monetary crisis he was forced, no less, to create systematic unemployment in England. I do not blame him. He was forced to do it and I suppose any other responsible government would have had to take similar steps. However, we know that Mr. Wilson's speeches, when he was a member of the opposition and told the government how to put an end to unemployment in England, and those he delivers now as head of the government, are different. It is the same man, undoubtedly as honest and as intelligent in both cases, but he is now faced with difficulties, and he does what he can.

One can accuse the government of not having found the magic formula and, I think, rightly, because we have not found it. But we cannot be accused of not making the necessary efforts to solve that problem.

I do not intend to speak of considerable economic planning, or to establish far-reaching programs which would apply from Halifax to Vancouver, to create in our country prosperity and growth on a permanent basis. However, I intend, when the department is created, to introduce in the house new measures which will enable us to grapple more realistically with that crucial and fundamental problem which has not yet been solved.

Partial attempts were made when I was Minister of Manpower. We amended the Technical and Vocational Training Assistance Act so as to be able to look after a new type of unemployed, the technological unemployed laid off because there are no more jobs for them. Not only that, but their trades are no longer useful in a modern economy.

So the Technical and Vocational Training Assistance Act was amended in such a way as to make it a lot more generous than the previous one. The new act enables a worker to be retrained, but as the honourable member for York South (Mr. Lewis) said, a single piece of legislation is not enough to check unemployment. It is true that the Technical and Vocational Training Assistance Act does not systematically fight unemployment. It is rather aimed at fighting one type of unemployment and, even within that type, a given category of unemployed, namely those who can be retrained or rehabilitated.

It is a partial solution. We have never suggested that we could put an end to unemployment through this measure, but it has enabled us to rehabilitate thousands of Canadian workers who would have been not only unemployed but also unskilled. If we have succeeded through that legislation, Mr. Speaker, in giving new hope to 25,000, 30,000 or 50,000 Canadian workers, that legislation will have achieved its aim. I feel that instead of trying to downgrade it, we should endeavour to improve it and make it more efficient, in order that it may achieve its object. But once again, such legislation was never meant to put an end to unemployment in Canada. Whoever makes such a statement has never read it.

To my knowledge, no hon. member on this side of the house has suggested—

[*English*]

Mr. Broadbent: Would the minister permit a question? Do I understand the minister is suggesting that the hon. member for York South (Mr. Lewis) was attempting to pull down the manpower retraining program when he suggested it was inadequate to deal with the broader problem of unemployment?

[*Translation*]

Mr. Marchand: Mr. Speaker, I only say that the hon. member for York South has been very hard on this legislation and on the former Manpower Department which, he says, has not succeeded in eliminating unemployment in Canada. I cannot refer precisely to his text, but that is what I can remember from it.

Not even the Manpower Department is intended to fight general unemployment in Canada.

My new department will have a much greater opportunity to achieve that end. The Department of Manpower has employment and rehabilitation services. The only program which really grappled with seasonal employment, was the winter works program. The other branches of the department are not at all engaged or trying to remedy the situation —it is not their function nor their purpose. However, the necessary instruments to fight that particular type of unemployment and to rehabilitate the workers are available to the department.

An attack against that legislation or the department once again would be of no avail because we have to consider unemployment as it is. If we want to fight it, not only one measure but a series of measures have to be introduced. First of all there is the kind of unemployment which is due to a lack of general growth in the country and which can be, I confess, the result of the general policy of the government, of its financial, fiscal or public expenditures policy. This is the unemployment phenomenon which, at a given time, appears all accross the country.

I believe the problems to be real at that level but I do not think that the situation could be described as a tragedy. The tragedy lies in the field of seasonal and regional unemployment which prevails especially the Maritimes, in eastern Quebec, in northern Ontario, in the northern part of the western provinces. These areas are really confronted with serious problems. We are trying to come up with and develop formulas which might alleviate this kind of pernicious unemployment, which will not go away in spite of all our efforts, and which of course is a source of tremendous problems for those who are affected by it.

What we will try to do with this new department is to think in new terms the whole philosophy of regional development in our country.

I cannot promise the house we are going to work wonders, but I can give it the assurance that we shall make serious efforts. In fact, we shall bring radical changes, for certain laws, well thought out at the outset, are no longer effective and some of them were even detrimental in some way to the workers.

For instance, the industrial development legislation, or ARDA, has often been used to bring about excessive development in some industrial fields, the result of which was to saturate the market and create an unemployment problem that we cannot solve anymore. There are therefore defects to be corrected and we are aware of that.

Alleged Failure to Reduce Unemployment

I hope that within two weeks, as was mentioned by the house leader, we shall be able to introduce in this house the new legislation concerning rural development. I also hope that, before next spring, we shall have a more precise, more adequate legislation, so as to be able to abolish regional disparities especially and provide all the citizens of this country with equal employment opportunities and almost equal opportunities to increase their income. Such is the goal we set ourselves and are efficiently trying to reach, I hope, and we even count on the support of the opposition, if they really want to help the workers, as they say they do.

Some hon. Members: Hear, hear.

Mr. Roch La Salle (Joliette): Mr. Speaker, the motion now before the house is not intended, as some hon. members might think, to express the opinions of the opposition only or for the sake of opposition. It is recognized that a serious problem exists both by us and the government members. With this thought in mind, I think that our joint consideration of this situation should be adequate proof for all members that, as members of the opposition, we realize the extent of our responsibilities and I hope that we will be able to participate efficiently in the administration of the country.

As I listened to the remarks of the minister, I felt that once this new department is established, we will be in a position to improve the present situation in a remarkable way. We will be glad to welcome this new minister and I think that yesterday the leader of the opposition (Mr. Stanfield) was asking for the establishment of this department as soon as possible. We all agree that if this legislation were presented within the next few days, we would gladly approve it as we feel that it would prove most beneficial to the workers.

• (4:40 p.m.)

Mr. Speaker, yesterday I heard the Minister of Labour (Mr. Mackasey) say, that we will not achieve anything through lamentations and complaints. I quite agree with him, but since we have certain measures to propose and are in favour, the implementation of some projects, I think it would be improper to keep silent and to ignore the present difficult circumstances.

The arguments of the minister were somewhat weak. Indeed, he simply gave me the impression that he was pleased with the present situation, in view of the particularly difficult years we are now going through.

[Mr. Marchand (Langelier).]

To my mind, the motion for a debate on this urgent problem leads us to recognizing the existence of a need and of a danger.

As for the argument of the Minister of Labour yesterday, to the effect that we have known more difficult times, I take the liberty of questioning that. Of course we have known more difficult times, but is that any reason for getting used to this intolerable situation? He gave us figures on unemployment, but as they seem to apply more to years past than to the present, I feel that we were justified in asking for a debate.

Indeed, this debate has a double object, that of recognizing not only that the situation is difficult, but also of finding solutions to unemployment, for in December there were 373,000 unemployed, that is 20,000 more than at the same time last year.

In January 1968, there were 464,000 unemployed and at the present rate of increase there will be about 500,000 unemployed this month. And the worst thing is that 164,000 married men are now without work, that is 18,000 more than last year. In the category of the most productive workers, that is the workers between 20 and 60 years of age, the number of unemployed reaches 300,000. As for those who have been unemployed for over three months, there are 100,000 of them.

In Ontario, unemployment decreased by 4,000 while it has increased by 26,000 in Quebec. The rate of unemployment in the Atlantic provinces was 7 per cent, compared to 6.8 per cent in Quebec and 3 per cent in Ontario. The increase in the number of persons employed in Ontario was 103,000, in the Prairies, 60,000 and in British Columbia, 43,000.

The government must recognize that the rate of unemployment in the province of Quebec remains at a higher level than elsewhere. Several workers in that province will continue to feel the effects of economic discrimination. It is obvious that the students of that province who could not find work had reasons to protest by organizing demonstrations.

This is a national problem, in Quebec as well as in the Atlantic provinces; and as long as the federal government does not show any concern about it, the parties which suggest sensible answers will have a better chance of winning the support of the people.

The situation in Quebec the plight of the Atlantic farmers, rural poverty and manpower retraining, such are the problems which deserve a priority they have certainly

been denied under the present government however serious these problems may be.

In the province of Quebec, a huge amount of the provincial revenue is allocated to the reform of the school system. That makes sense as long as enough jobs are provided to keep up with the growing labour force. The effort toward education reduces the funds available to meet the needs of agriculture and to fight rural poverty.

That is the reason why the federal government should acknowledge the serious situation in which a great number of Canadians living in Quebec and in the Maritimes find themselves.

Perhaps the situation could have been improved if some commitments had been respected to a certain extent.

Were we told the truth, three or four months ago, when the public was made to believe that the economic situation was sound and when there was talk about a very urgent need to stabilize the budget and about co-operative federalism.

As for co-operative federalism, we are indeed obliged today to reproach the present government with having neglected to co-operate with the provinces.

It was decided, for example, to cancel the winter works program, but today, the increase in unemployment during the winter months shows clearly that putting an end to that program increases considerably the number of unemployed, particularly in the province of Quebec. Indeed, in a brief that was sent to all hon. members, the Canadian Federation of Mayors admits openly that the cancellation of the winter program creates a very thorny problem for several municipalities.

I remember asking the Prime Minister (Mr. Trudeau) if the provinces had been consulted, and I was told simply that the provinces should have expected it. But, in fact, the provinces were not ready, because the municipalities had not been consulted. It was quite well known that the budgets had been prepared on the basis of these subsidies and all of a sudden the municipalities are deprived of every hope, because a lot of works are cancelled by this very fact.

I admit with the present government that this winter works program was not perfect, because it would have been necessary, I think, to select these works properly by accepting only those that were absolutely needed, such as the construction of municipal buildings and certain public utility works. But to go as far as refusing all these works, that was another matter. We must recognize, if we are objective, that the cancellation of this program increased the rate of unemployment, particularly in our province and in the rest of Canada.

I should like also to say a word about housing, mainly about the report which was tabled yesterday. It is all very well to talk about home building in Canada, but it must be kept in mind that under the existing legislation, the interest rate charged by the Central Mortgage and Housing Corporation represents a very serious problem for the people who have an irregular or average income.

The new legislation on housing provides for bigger loans and for an extension of payments over a longer period. This is not, in my opinion, the kind of measure likely to help the citizen with an average income. Let us be objective, let us recognize that it is absolutely necessary to abolish the 11 per cent tax on building materials so as to make the building costs of a house a little more acceptable. If wage-earners with an average income are not assured of a suitable interest rate, they will be unable to secure loans. In fact, anyone who earns $6,000, $7,000, $8,000 or $9,000 cannot borrow at more than 5 or 6 per cent and I think that the government would benefit by giving him a rebate proportionate, of course, to his income.

This is one way of doing it. I am sure there are many others because I am suggesting one at the moment. In this way we could get the economy going again in the housing field and check any adverse effects which might be felt in the forthcoming year.

As to the report which was tabled yesterday by the minister, it simply reflects the recommendations of the Canada Economic Council. This report was already discussed today in some editorials which recognize that the suggested solutions are not terribly new. However I am thinking of that very important rebate and of that 11 per cent tax which should be abolished. These are concrete measures which might promote housing. When we refer to housing in Canada, we know that many things are connected with that field which has a tremendous effect on our Canadian economy.

• (4:50 p.m.)

Those are suggestions. I do not want to take up the time of the house by merely

criticizing and accusing the governments that have done nothing. I am not among those who think governments do nothing, but I believe that all together we can do more and do better.

I already dealt with the possibility of enabling the farmers to benefit from cheaper labour through the help of Unemployment Insurance offices. At the present time we are paying people to do nothing on account of our unemployment insurance system and the farmer needs workers of one kind during certain periods of the year and of another kind during the whole year.

That would enable him, I believe, to get cheaper labour, while the government would not have to pay a cent more. Whenever one requests something of the government, he can always be answered in the following way: who is going to pay?

We know of working people earning $50 per week while some others who are not working are paid weekly benefits of $50. It is important to make our population and our unemployed people productive. I thought farmers could pay a sum equal to the unemployment insurance benefits, thereby helping someone willing to work for a reasonable salary. As a matter of fact, a worker would get double what he is getting unemployment insurance benefits without the government paying a single cent. Thus, the producer's or the farmer's production costs would be lower and the consumer would benefit by it.

Another idea comes to my mind that I should like to offer as a suggestion to the government in order to have them adopt helpful measures for the population.

Unemployment Insurance offices were centralized, which to my mind does not lead, at least in my constituency, to the expected results and complaints were made as to that. Reasons of economy were given and perhaps justifiably so. As for the service given, it is obvious that it is very poor at the present time. Actually, how can you expect unemployed people to make long distance telephone calls or to travel 25 or 30 miles in order to collect their benefits?

I will give you some facts. In my riding, people are now compelled to go to St. Jerome. On the other hand, Sorel residents, though not residing in my riding, have to travel to Longueuil.

In my opinion, these regulations are not very impressive, but they would be very useful to the unemployed. This policy should be re-examined in order to assist the unemployed who are eligible to benefits and the employers who are often in need of information.

In spite of all, let us hope Canadians will not become disenchanted. They could easily lose faith because, in the course of an election campaign, the bright prospect of a just society was held out to them, but today's reality is a far cry in relation to what they had hoped for.

There have been talks of a department of regional development and it is still a current topic. Such a department was to bring about important advantages for the people.

There were discussions about an economic situation that was seemingly quite healthy but it was immediately realized that there were some problems to be solved.

Three or four months ago, it was felt that things were not quite right. Our friends would not admit it then, but now the Minister is finding out that problems do exist. He also agrees that solutions are not always easy to come by and that the members of the opposition seem to know what should be done.

We do not propose to offer magic solutions or to have all the answers to the present problems, far from it! However, we acknowledged the problem, four months ago, though the government members denied it. That is why the people are disappointed. The fleeting dream is becoming more and more of a nightmare. They cannot help feeling that way, for, no later than yesterday night, we were told about the closing, in Montreal, of "Terre des Hommes" because of growing difficulties. This decision, made by the responsible authorities, will probably cause more unemployment for the city of Montreal.

Will the federal government do something about it? The question was asked this afternoon. The right honourable Prime Minister's view seems to be that this does not fall under federal jurisdiction. But why should not the hon. Minister of Trade and Commerce (Mr. Pepin) invite those concerned to discuss some kind of master plan to try to find an answer that would be acceptable to the federal and provincial governments and to the city of Montreal.

After all, we must admit that the city of Montreal has some bearing on the economy of Canada.

As a matter of fact, there are over 56 members from Quebec in the government and a good number of them represent the city of

Montreal. I appeal to all hon. members from Quebec to take a look at this increase of 26,000 unemployed they have now in their province. All the government members from Quebec should consider the situation and I would be only too glad to co-operate the best I can. The province of Quebec is entitled to be adequately represented and the federal members should do everything in their power to compel the party in power to give special consideration to their province.

It has often been said that the situation of Quebec is different, but it is hard to have it recognized in practice. Unemployment, however, is acknowledged as a special problem. In my opinion, the federal members from Quebec have every right to tackle this very serious matter.

Yesterday, for instance, I was listening to the Minister of Labour (Mr. Mackasey) when he said that were the opportunity given to him of investing a million dollars in Quebec, he would be glad to do so, since the last elections have proved beyond any doubt that the overwhelming majority of the French and English-speaking people of the province of Quebec wanted to stay in Confederration.

I was very glad to hear the Minister of Labour express that view. However, we should co-operate through a better representation and by passing laws which will affect not only the province of Quebec but Canada as a whole. Better legislative measures should be adopted in order to satisfy a province which surely has needs just like every other one.

Mr. Speaker, allow me, in closing, to recall the words—with which I fully agree—of the Leader of the Opposition when he said that the motion before us was meant to prove to the government members that we also recognize the difficulties, that our interventions were designed to solve a situation which cannot be allowed to last.

This proposal asks the government, on behalf of the Canadian people, to adopt legislative measures which will guarantee the country the rates of growth required to give labour the necessary employment in the future and to reduce the unduly high rate of unemployment.

This was the object of the motion moved yesterday by the Leader of the Opposition, and as far as I am concerned I support it. To the Minister of Labour who said: "We are determined to act," I say we are ready to act, to do more and to do better.

Alleged Failure to Reduce Unemployment

• (5:00 p.m.)

[*English*]

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, I am pleased to be able to take part in this debate on economic matters. It has been a good debate up to this point. Several hon. members have attempted to paint a black picture of the economy of Canada. I take exception to many of their comments along this line.

I agree wholeheartedly with the hon. member for York South (Mr. Lewis) that we cannot treat unemployment callously; we cannot talk of unemployment simply in terms of figures. I agree that there is a human element involved. I also agree with the Leader of the Opposition (Mr. Stanfield) and with the hon. member for Battle River (Mr. Downey) that there are serious problems affecting western agriculture. I am equally in agreement with what is said by hon. members from the Atlantic provinces when they outline in the house the serious difficulties faced by the people in that part of the country. I can agree also with the point of view expressed by hon. members from Quebec, though I am in accord, too, with what was said by the Minister of Labour (Mr. Mackasey) in his sound analysis yesterday of the situation in that province.

The Leader of the Opposition spoke of the economic problems of Canada and of rural development practically in the same breath. I am somewhat concerned that more and more members should be speaking increasingly of rural development in terms almost synonymous with mass government welfare assistance. The Leader of the Opposition also talked about unemployment in the west and related it to the difficulties in agriculture. Perhaps the Leader of the Opposition was revealing his ignorance of the west while at the same time seeking excessive consideration for that part of the country from which he comes. I hope this is not the case but the facts point to this conclusion.

The western part of Canada is not dependent simply upon agriculture although in most parts of that region agriculture is the major element in the economy. Let me draw attention to a few facts to set the record straight. The rate of unemployment on the prairies on December 14, according to the latest available figures, was 3.4 per cent. This was second only to Ontario. In Alberta, I am pleased to say, unemployment was the lowest in Canada at 2.9 per cent. Perhaps some of the hon.

members from that province would inform the Leader of the Opposition of this fact.

The Leader of the Opposition was critical of the government with regard to the rate of growth of our exports, and the volume of exports going to the United States compared with the volume going to other countries. I should like to point out that in my constituency alone within the last few weeks contracts have been signed for the export of more than $1 billion worth of coal to Japan.

How is this correlated with rural development? It is obvious that in Canada there are certain growth areas. It is equally obvious that there are areas where serious economic problems exist. I submit that the concept of rural development must take account not only of current unemployment statistics but of economic potential. Rural development means looking at our areas of strength, not only at our areas of weakness. It may mean moving people into areas of economic strength from areas of economic depression.

If I may go back into history I should like to point out that this is not a new concept to Canadians. While civilization in this country was started by people who were willing to move, willing to travel over distances which were in those days unimaginable in order to start a new economy in another part of the world. The western regions of this country were built up by people who, similarly, were willing to move.

Despite the fact that we are living in a day and age when our population should be more mobile, it is in fact becoming more static. I submit that the government is on the right track when it brings in programs of retraining, programs of adult education, programs which will make our population more mobile. It is a provable fact that a person with less education is less likely to move to areas of greater economic opportunity.

I have touched on the solutions. One of them is the mobility of the labour force. Another is the retraining of the labour force, and a third is the education of our people to higher levels. Perhaps the last two requirements are prerequisite to the first. A fourth solution, and one which I believe this government is following, is the introduction of a system of regional development based on economic potential. It does not make sense to jump ill-prepared into programs which it is hoped will produce long term benefits. I suggest that programs undertaken without sufficient thought fail to produce benefits of this type.

[Mr. Sulatycky.]

Various programs have been undertaken in this country in an effort to bring economic benefits to particular regions. We have resorted to programs which were not sufficiently well thought out, ad hoc programs which failed to produce the long term benefits intended. Most of the programs that we have seen implemented to date in this country have been of minimal lasting benefit. I am pleased that the government is now giving a great deal of thought to methods to correct economic disparity.

• (5:10 p.m.)

The fifth solution to our economic problems, I submit, is to develop the proper attitude and mentality among the people of Canada. I deplore those who erode the confidence of Canadians, those who plant the seeds of doubt, who ask for excessive assistance and who paint a gloomy picture of the present and future of this country. I suggest that these people do a disservice to Canada. If that is what the Leader of the Opposition is attempting to do by moving his motion yesterday, then I congratulate the people of Canada for not voting for him in greater numbers at the polls last June 25.

I have faith in the economic future of this country. I have confidence that the government is contemplating at the present time a reasoned and logical program for regional and economical development, and I am pleased to say that I shall have to vote against the motion moved by the Leader of the Opposition.

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, as seconder of the motion moved by the Leader of the Opposition (Mr. Stanfield) I have what I consider to be some pointed remarks to make on the motion which is to be tested by this house tonight.

I listened with interest to the speech of the Minister of Forestry and Rural Development (Mr. Marchand). His speeches are always interesting and his oratorical style always fiery. But what he said seemed to take me back to the days when I sat in this house with some of those who once sat across the way, including the former member for Bonavista-Twillingate, though I was not here when Mr. Howe was in the house. I thought that with a new government and with a just society the minister, especially in view of his labour background, would have had more to say about what could be done in regard to unemployment in this country. I thought he might have dealt with that part of the motion

referring to university students entering the labour market. This subject was dealt with by my colleague this afternoon and should definitely have been dealt with by the government.

Another matter that I understand is close to the Minister of Forestry and Rural Development and which certainly involves areas of the country such as the Atlantic provinces and the west coast is shipbuilding and unemployment in our shipyards today. I believe that today a cabinet committee, composed of the Minister of Industry, Trade and Commerce (Mr. Pepin), the Minister of Transport (Mr. Hellyer), and I think the Minister of Defence Production (Mr. Jamieson), is meeting the Canadian Shipbuilding Association, and I hope that as a result some policies will be brought forward to arrest the very heavy unemployment existing at present in our shipyards.

The Minister of Industry, Trade and Commerce has suggested from time to time that our shipyards should be rationalized. I think they have been to as great an extent as possible. I recall that in previous debates in the house I put forward suggestions to assist in formulating a policy to create employment in our shipyards. For example, I suggested that the subsidy on steel trawlers, which has been cut back from 50 to 35 per cent, should be reinstated in the case of fishing companies that are attempting to replace obsolete equipment. Another suggestion concerned something that is done in other countries by way of long term financing and depreciation allowances, and also investment allowances which I believe are made in the United Kingdom. I think the minister might have dealt with these questions, but nevertheless I hope that some policy will be forthcoming at an early date in connection with our shipyards and also the establishment of a merchant marine in this country.

Before I deal with other points, one other mattter that was dealt with by my colleague, the hon. member for Joliette (Mr. La Salle), was the submission put forward by the Federation of Mayors and Municipalities. I will not go into this question fully in view of the short time I have, but I think the submissions they made, as outlined in their release of December, 1968, bear repetition.

The federation pointed out that the winter works program was discontinued without prior notice to the municipalities. As the brief states, the cancellation was announced without warning 60 days before the commencement of the expected 1968-69 program. The federation points out that it believes a replacement program should be brought forward by the government to deal with, for example, the installation of water mains and other major waterworks projects, the installation of trunk sewers and other sewage collection projects and, third, storm sewer installations. In their brief they suggest that these projects could be implemented by amending the National Housing Act. They further point out that these projects will provide winter employment and that these services are essential in housing construction.

The figures for unemployment in Canada have been related by a number of speakers in this debate. I listened to the speech of the Minister of Labour (Mr. Mackasey) who put a lot of statistics on the record. I do not intend to duplicate them, but I do think he should have dealt with certain matters and certainly have admitted that there is a serious unemployment problem. I think that the minister of rural development was quite fair in his remarks in this regard.

The minister of rural development should also have seized upon the opportunity today to give the house and especially people in the Atlantic area some idea when his new department will be set up. I know this is subject to the business before the house, but I hope it will be soon because there is a lot of uneasiness in the Atlantic provinces, especially in regard to the Atlantic Development Board. Although we hear stories and rumours about it, I hope that the board will remain a separate entity, that it will continue to do necessary work in our area and not become a sort of advisory board to the minister. What I am afraid of is that the board, which was set up by the previous Conservative government and carried on by the succeeding Liberal government and until this date by the present government, will be lumped together with other boards or with some other branch of the ministry of rural development and in some way become lost. I hope this will not be the case.

The Minister of Labour pointed out that the government, through the offices of the Department of Manpower and Immigration, is going to introduce vocational training for Canadians. I believe in this in the long run, but I think that the remedies that have been proposed should have included assistance for

workers in our shipyards during this especially tough winter season. The vocational training schools program introduced by the government which I had the honour to support was very successful. The government paid 75 per cent of the construction costs of such schools in my constituency and the schools have been a godsend. The schools are doing good work in helping to train our youngsters who are leaving high school and our adults who have been working for some time. The government of that day did not introduce that program as a mere housekeeping measure. It introduced it in order to help in the fight against unemployment.

• (5:20 p.m.)

To emphasize the seriousness of the present situation I wish to quote the words of a serious and thoughtful Canadian spoken in 1959 when I was sitting in the seats now occupied by the uneasy. I refer to hon. Paul Martin, who played no small part in the policies of the Liberal party. His remarks are reported on page 2135 of *Hansard* for March 23, 1959. He was raising his voice on behalf of the unemployed and said:

> I submit there is no problem of greater emergency in our country at this time than the fact that we have almost half a million people out of work. This problem persists in spite of government policy and in spite of government assurances of amelioration.

The difference between the government of that day and the present government is simple. That government had a policy in this field. Today we have no government policy and we have no assurance that the situation will be improved. We have asked the Prime Minister, the Minister of Manpower and Immigration, the Minister of Industry, Trade and Commerce, and the Minister of Labour to indicate what programs this government has to deal with unemployment. So far we have had no indication that any program whatever is to be instituted.

To emphasize once more the seriousness and gravity of the situation I wish to turn once more to the words of that tribune of this nation, hon. Paul Martin, who has recently been elevated to the other place. These words are reported at page 646 of *Hansard* for February 2, 1960, and are as follows:

> When we talk about this matter—
>
> Unemployment.
>
> —we should recognize that the statistics on unemployment are not made up only of figures; they consist of men and women on whom many others depend for their maintenance and welfare.

[Mr. MacEwan.]

That statement was made when the Liberal party had a heart. If the statistics of that day covered men and women, they cover men and women today to no less an extent. They are the same types of men and women who have similar responsibilities. If unemployment was undesirable and a national emergency then, it still is now. Senator Martin recently said:

> Unemployment makes a man seem useless, not wanted, without a country; it makes a man live in fear and from fear springs hate.

Those words apply forcefully today and lead to this question. At what point did widespread unemployment cease to concern members of the party opposite? That question has been asked before, and I ask it again now. The former minister of finance has said on a number of occasions that we can tolerate a certain amount of unemployment as an antidote to inflation. But now we have both unemployment and inflation. We have unemployment because the government has siphoned off too large a portion of the national income from the private sector. The construction industry, which in normal years employs one million Canadians, has been starved by the government because the tax on building materials has put housing beyond the reach of middle-income Canadians.

Right now a tug of war is taking place between the Minister of Transport and the Minister of Finance. It is the public that will suffer or benefit from the result. We shall have to wait and see whether the Minister of Transport and his boys can persuade the cabinet to come over on their side. Although I have never taken sides as between these ministers, I hope the Minister of Transport wins.

The government's policies have produced unemployment. Its incentive destroying taxes have placed enterprise in a strait-jacket.

I share a problem with many other hon. members in that there are homes in my riding where the doors have been darkened by the spectre of unemployment since this government took office. Across the less-favoured regions of this vast nation gallop the twin spectres of unemployment and inflation. They are two horsemen of the Apocalypse and are hotly pursued by the third horseman, the former secretary of state who has written a book. I apologize; I should have said horsewoman. Her work is a valuable addition to the library of Liberal literature. We had Walter Gordon's contribution, "Troubled Canada", and now we have the postscript describing the cabinet as a gilded cage. But the present cabinet is a cage without gilding.

In this country unemployment is higher than last year; 20,000 more people are unemployed than at the same time last year. At present 164,000 married men are without work, 18,000 more than last year. This is serious. Those in their most productive years, between 20 and 60, form one of our largest groups of unemployed. In that group 300,000 people are unemployed. That is serious. Those who have been unemployed for more than three months now number almost 100,000. That is very serious.

I wish to talk about the Atlantic provinces now. The labour force in the Atlantic provinces declined by about 5 per cent, yet unemployment has risen by 3,000. That represents a total loss of 8,000 jobs over last year. Figures for Ontario, Quebec, and other parts of Canada have already been quoted. It is clear that the policies of the present government have not succeeded in removing regional disparities. Instead, they have accentuated them. Many of us recall the bright words of hope uttered by the Prime Minister in the Atlantic provinces during the election campaign. He promised us a Marshall plan. We do not know what that plan is. I suppose we shall have to wait until the minister responsible for regional development tells us about it. We wish to see policies introduced that will bring our employment levels up to those enjoyed by the rest of Canada and our income levels up to those enjoyed by provinces like Ontario, British Columbia and some others.

I have already dealt with subsidies for vessels. Since the subsidy for the construction of wooden fishing vessels was discontinued the Atlantic region has suffered from greatly increasing unemployment. The government should have maintained subsidies of between 35 and 50 per cent on the cost of constructing wooden fishing vessels. The government's action has serious crippled our maritime shipping industry. I hope the government will implement policies that will help shipbuilding in Canada generally and in the Atlantic region in particular. I think the Minister of Fisheries (Mr. Davis) probably would agree that such subsidies are a good idea and would help the fishing industry. It could well be said that this government has presided over the liquidation of the Atlantic fishing industry. Certainly the closing of the Newfoundland outports has been a serious blow leading to the liquidation of a way of life going back 300 years.

Another point I wish to raise, which was dealt with by the hon. member for Joliette (Mr. La Salle), is that the government has adopted policies which have led to eastern Canadian farmers being driven off their lands and into the welfare offices of the cities. Although the government has been told repeatedly of the plight of our farmers its reaction has been that there is no problem. The government's actions in this field have led to large-scale unemployment.

• (5:30 p.m.)

The Prime Minister (Mr. Trudeau) has set up regional desks to deal with regional problems and to keep him fully informed. Not long ago a Toronto member was reported as saying, with reference to these regional desks, that Liberal members of parliament now might as well stay home, smoke their cigarettes—unless these have been banned in the meantime by the Minister of National Health and Welfare (Mr. Munro)—put their feet up on their desks and draw their salaries because these people manning the regional desks would be telling the Prime Minister what to do in the various areas. One can only conclude that it is time to clear out some of these desks because apparently the people behind them are not telling the Prime Minister the facts, or he is not interested.

The government is cannibalizing the Canadian economy to further abstract schemes which have failed to produce any benefits whatsoever. The government, by its vast, unco-ordinated expenditures is battening on the economy like a giant parasite, taking far more out than it is putting in. Where are the programs of national development? Where is the blueprint for expanding our efforts in the north?

We have been presented with minor programs and projects which cannot even be dignified by the name of policy. Other than that we have had an attitude of hands-off aloofness, a kind of non-policy, a sort of political Fen, which allows the nation to drift while the Prime Minister and his colleagues drift and dream. Drifting and dreaming is their theme song.

A government which in six months has failed to acknowledge much less deal with high interest rates, high taxes, growing inflation and increasing unemployment, cannot be said to have a grasp of the country's problems. As I see it the whole situation can be put in a nutshell. This government, on matters of domestic interest and domestic necessity, just has not done its homework. It has given agriculture no hope. It has given the

fisherman no encouragement. It has given industry no incentive. It is a government which has been sleep-walking since June.

During the election campaign we were told that so much would be done. It has not been done yet. We saw pictures of the Prime Minister diving into a pool. I think it is time he and the cabinet came to the surface and acquainted themselves with the real issues of this nation. Canadians are concerned about jobs; they are concerned about paying bills; they are concerned about educating their children; they are concerned about a future holding a hope of security and progress. They are not concerned about slogans, meaningless schemes and headline hunting gestures. That is why this motion has been put forward and why I naturally support it.

In conclusion, sir, may I refer to *Hansard* for November 21 last year. At that time I referred to a question asked by the hon. member for Winnipeg North Centre (Mr. Knowles) of the Prime Minister. He asked about the rate of unemployment and what steps the government intended to take to combat unemployment in this country. This is the quotation directly from *Hansard* of the Prime Minister's reply:

> Mr. Speaker, we had quite lengthy statements on this matter during the budget debate, and we will have a chance to make others on the estimates next week. As you prophesy, I could make a lengthy answer to this question to indicate that this increase in labour force unemployment is due to many factors—

Then he went on to say:

> Actually, Mr. Speaker, I have a lengthy answer here.

I am asking today that the Prime Minister follow up what he said in November last year. Let him dig out his statement and bring it before the House of Commons. Let us hear from the Prime Minister before this debate is concluded.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I should like, for a few minutes, to make a contribution to this debate which has been going on for a few hours.

First, I feel the motion of the Leader of the Opposition (Mr. Stanfield), is a good one because it enables us to discuss a problem which certainly concerns the government. I support it, I would even vote for it if only the seven following words were changed,

and I quote the English version of the said motion:

[*English*]

> That this house regrets that the government is not presenting—

I suggest that if those words were taken away and replaced with the following:

> That this house invites the government to present programs to achieve a rate of economic growth which will reduce unemployment and also ensure that the economy will be able to absorb the large number of new entrants into the labour force this year—

I would go for that any time.

[*Translation*]

I know, Mr. Speaker, that this mania which consists in blaming the government for all the evils of mankind is part of the democratic game, but there are still some cases where it lessens the value of an otherwise constructive suggestion.

Mr. Speaker, I think that economic development concerns not only the federal government, but also every level of government. It is a field where those three levels of government should try to co-ordinate their efforts.

If I may, Mr. Speaker, I would remind the minister and the house that such a movement has been started in my area, and I am glad to hear the minister say that our area, from Trois-Rivières on, suffered from regional disparities and needed the help of the governments. That is correct.

The mayors of the area I represent as well as those of some surrounding constituencies set up a regional organization a few months ago and developed a common program in order to help the provincial and federal governments fight unemployment and stimulate the economy. That organization, the conference of the mayors of the St. Maurice valley, includes some 85 mayors of the ridings of Trois-Rivières, Champlain, St. Maurice and of part of the riding of Berthier. Some even come from Joliette and from part of the riding of Richelieu, which was in the riding of Nicolet before the new redistribution.

These mayors met and set up a program to create first of all a regional economic development agency or board comprising of course full time experts and which would have sufficient credits to hire the necessary personnel to take efficient and constructive action.

This regional economic development board would require a budget beyond the potential of the municipalities. So, they are about to ask the provincial and federal governments to participate in the preparation of this budget, the proportion of their contribution to be determined later on. The experts suggest, for instance, that the federal government, should provide 40 per cent of the funds, the provincial government 40 per cent also, and the participating municipalities 20 per cent.

That economic development board would, for example, help existing industries. We have noted that some firms were doing badly and, sometimes, had to close their doors. Very often, it was a situation which could have been adjusted if we had been aware that the federal and provincial governments could offer certain services. In fact, some manufacturers might have profited by the assistance of people conversant with those matters.

The board would find additional markets for existing industry. That would apply especially to small industries, which have not always the means to find new markets.

• (5:40 p.m.)

That economic development board intends also to set up a sort of industrial fund, through public subscription. I like the attitude of our mayors who are not always counting on the government for everything, while doing nothing. They are ready to make the first move and to prove that they have confidence in the future of their area. A regional industrial fund, made up through public subscription, would help existing and future businesses. It would be administered by competent people. This clearly shows that they have no wish to remain inactive in a given situation but intend rather to use all the means likely to boost their regional economy.

That regional economic development board would also have the task of promoting intelligently industrial, business and touristic opportunities in our area. It would specifically promote tourist industry, organize recreational centres, sports centres, tourist centres, in an area rich in possibilities, and would then publicize its achievements in areas, other provinces, other countries, in order to get the most out of them.

Such a board would of course help new ventures as much as possible and might even serve as a referee in cases where the life of a firm is jeopardized by disagreement between labour and management or problems of a different nature.

I believe, Mr. Speaker, that it is expedient to give such an example, because I am one of those who believe that the federal government alone will never be able to check unemployment in a reasonable proportion, no more than the provincial government could. Every citizen, each town and each region will have to make up its mind and take the matter in its own hands and establish a regional economic development body.

I presume, without knowing the details of the legislation mentioned this afternoon by the hon. minister that its purpose will be to help these organizations of regional economic development which will have given evidence of being serious in their work and have shown that they have competent people in their service.

To the minister who spoke this afternoon, I submit the request of the mayors in my area —the members of the Mauricie Mayors Conference—who wish to be able to expect assistance from the federal government. They have also requested aid from the provincial government and they are expecting a definite reply within a few weeks. I believe that this reply may arrive at about the same time the federal legislation comes into force.

Mr. Speaker, I would like to stress that blaming the government for an unemployment situation about which we are all concerned, even if it is not as serious as it has been in the past, is not enough. We should rather propose constructive measures and for my part I would suggest that we try to synchronize the efforts made by the federal, provincial and municipal governments.

I know that the Canadian Federation of Mayors, of which I was a member, has been concerned for several years about that problem and has been suggesting for quite a long time that the municipalities should be invited, when the federal and provincial governments meet to discuss problems dealing with municipalities. But in certain circles, some objections have always been raised, because the municipalities are deemed to be the instruments of the provincial government. Nevertheless, I think that the municipal governments, through the mayors, should be called at least as observers to know exactly what happens. I know that in many cases they would have suggestions to make which would help to complete the efforts of the federal and provincial governments in order to cope with unemployment.

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I could perhaps make very briefly another suggestion. It concerns all Canadians, who should buy Canadian. It would already be a way of revitalizing the Canadian economy. I have already acquired the habit, Mr. Speaker, of looking where the products which pass through my hands are manufactured and I am astonished to note how many products sold in Canada are manufactured in Hong Kong, Japan, Formosa or Czechoslovakia. I feel that there is too much indifference among a great number of Canadians who buy those products manufactured elsewhere, when we could find the same products here. When the fact is mentioned, we are told: "Yes, but the are less expensive." It is true that they are less expensive but afterwards we have to pay for increasing unemployment, social welfare for the unemployed, because in certain sectors our economy is threatened by some sort of dumping from abroad.

I would like to make another suggestion, Mr. Speaker, for the economic development of the country, to prevent our firms—

[*English*]

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

Mr. Mongrain: Yes, with pleasure.

Mr. Broadbent: Would the member also suggest that all those countries to whom we sell goods adopt the same policy of buying only in their country?

[*Translation*]

Mr. Mongrain: My honourable colleague is evidently a real perfectionist. He would like to force this government to improve all the other governments in the world. I know that international trade must exist and that charity begins at home. Surely, there are cases where we must import but we have in Canada industries which manufacture products that are just as good. Canadians should remember that charity begins at home.

This seems fundamental to me. We are not here to support other countries unless they are underdeveloped.

Here is my last suggestion, Mr. Speaker. I think that in order to keep Canadian industry strong, union leaders should be convinced to accept a kind of truce in those endless disputes that cause the ruin of some businesses, push employers towards automation and consequently staff reductions, and in certain cases force businesses to close down.

In my region, a business is in danger of closing on account of a strike that I find unjustified and unjustifiable and that has been going on for months.

So, I think we should ask the union leaders who are conscious of their responsibilities to try and bring a respite in labour-management disputes to give all levels of government concerned the time they need to enforce the measures they consider essential to improve the economy and reduce regional disparities.

Mr. Speaker, I can assure the minister of the co-operation of 85 mayors in my region, who are members of the Mauricie Mayors Conference. They are looking forward to his complete legislative program and they will be in a position then to come and discuss with him how it meets the needs of the region I represent.

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the hon. member who has just sat down. Since the hon. member for Trois-Rivières (Mr. Mongrain) is all in favour of Canadians buying Canadian products, can he promise to vote against bill C-102, that is a bill providing for larger imports of pharmaceutical products?

Mr. Mongrain: I have not seen anything in the bill, Mr. Speaker, that says we must have larger imports of drugs. I think this is a gratuitous assumption on the part of my hon. friend.

[*English*]

Mr. Deputy Speaker: The hon. member for Oshawa-Whitby.

Some hon. Members: Hear, hear.

Mr. J. Edward Broadbent (Oshawa-Whitby): Thank you, Mr. Speaker, and one hon. member opposite.

An hon. Member: A lot more than on that side.

Mr. Broadbent: Mr. Speaker, I should like to speak specifically to the amendment to the motion which is before the house. This amendment asserts that the government has slowed down public investment and has pursued fiscal and monetary policies deliberately designed to increase unemployment. Other spokesmen for the New Democratic party

have suggested earlier in this debate what perhaps could and should be done about the early alleviation of unemployment. I wish to say something about the reason the government has pursued the kind of policy it has, and why we request a different approach. More specifically still, I wish to suggest why we need a significant expansion of public enterprise and a change in our current monetary policy.

To begin with, however, it is perhaps worth noting that the extent of unemployment levels in this country is beyond dispute. The Minister of Labour (Mr. Mackasey) in his speech yesterday acknowledged that we have severe unemployment and that the severity increases significantly in certain regions of Canada, particularly in our Atlantic provinces and in Quebec where it reaches levels between 7 per cent and 10 per cent. It is also acknowledged that this situation is not new in Canada. For the past decade we have had levels of unemployment which exceeded those of any advanced industrial nation in western Europe for example.

• (5:50 p.m.)

Using the Dominion Bureau of Statistics figures, I have come to the conclusion that the average level of unemployment in Canada for the past decade has been almost 5 per cent. This means that while the rest of us have been enjoying unprecedented material well being, thousands of Canadians have been experiencing material and, therefore, spiritual deprivation.

Why is this, Mr. Speaker? The Liberal government does not consists of malicious men. Other things being equal they would certainly prefer that all Canadians be employed. The point is, of course, that things are not equal. Successive Liberal governments have had to make choices. As we all know, any government, no matter which party is in power, must make political and economic choices, and this involves deciding between having either one of two or more desirable things or one of two or more evils.

In broad terms, recent governments in this country have had to decide between having price stability or full employment. No economist that I know of believes that you can have both. Our Liberal governments, and our Conservative predecessors, have favoured programs aimed at achieving price stability and, as one of my colleagues has pointed out, they have failed even in that regard. In a recent article John Deutsch, former chairman of the Economic Council of Canada, contrasted the economic performance of western European countries with that of Canada and the United States. The former, he pointed out, "have been highly sensitive to unemployment, and they have used monetary and fiscal policies very actively to keep the unemployment rates at low levels". In this article which appeared last year John Deutsch said:

> Over the past ten years ... they have generally succeeded in keeping the unemployment rate within a range of 1 to 2½ per cent of the labour force.

He noted that in Sweden, unemployment in the past decade has rarely exceeded 1½ per cent. He stated that during the same ten year period our level of unemployment was three or four times that level, or an average of about 4 per cent or 5 per cent.

What is important to note in this context is that governments choose policies quite deliberately with the foreknowledge that the results will be more or less employment. Therefore, contrary to what the Minister of Labour said yesterday, I reafirm the truth of the New Democratic Party's amendment to the motion put forward by the Leader of the Opposition (Mr. Stanfield). The present government, like its predecessors, is deliberately pursuing a deflationary policy; it is deliberately creating unemployment and doing so with the stated objective of achieving price stability. The evidence of this is overwhelming. The policy adopted is aimed at achieving price stability rather than full employment.

This situation was to be seen in last December's white paper entitled "price stability". Why do we not have a white paper entitled "policies for full employment"? I think the absence of such a paper is indicative. Most countries in western Europe have produced such a document. This same attitude was to be found in last fall's lamentable budget presentation by the Minister of Finance (Mr. Benson). Then, as yesterday in his assertion that he did not favour abandoning the 11 per cent sales tax on building materials, the minister took the approach that public expenditures must be curtailed. He also felt that taxes must be kept at high levels in order to balance the budget and therefore restrict consumer demand. The effect of these measures, he hopes, will be to check rising prices. However, he did not state, or failed to point out yesterday, that one certain effect of these measures, as every economist in this country and indeed in the western world knows, is that they are an encouragement to unemployment.

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It is now universally agreed that the high levels of unemployment during the period when the right hon. member for Prince Albert (Mr. Diefenbaker) was Prime Minister were primarily due to the lack of aggregate demands in the economy. There was, of course, near the end of that era, a revolt by Canada's economists who made a determined effort to have the then governor of the Bank of Canada removed. The present government, I would suggest, is making the same basic mistake that was made during that period. Instead of encouraging expansion and increasing public demand, expenditures are being restricted. In doing this, the government is promoting unemployment.

Even with this policy decision a further bias on the part of the government is revealed. The government is restricting the expansion of government services and projects which have, in the main, a direct consequence on the well being of the citizen as a non-consumer. These expenditures are primarily in areas like buildings, hospitals, schools, parks, museums and perhaps even a film industry. Expenditures in these areas are being curtailed to achieve price stability. At the same time the government allows private corporations which, under the kind of economic structure we have, understandably have as their prime motive the recreation and maintenance of man as an infinite consumer, to have unrestricted access to available supplies of capital with an unrestricted right to expand.

The New Democratic Party does not believe that price stability is the main economic problem at the present time. We believe the main problem is unemployment. However, our method of dealing with price stability would be quite different from that of the existing government, and I should like to say something about this matter.

If we regarded it to be an economic necessity to cut back on investment, then we would apply the same restrictions to the private sector of the economy as we applied to the public. This is nothing new. This is a very common principle adopted by governments in western Europe. We would say to the private sector, including petroleum companies, insurance companies and others, that they should not expand in a given year because public needs and requirements were greater. We would then take a greater share of the available capital to provide for greater social needs.

Let me make it perfectly clear that I am not saying my party believes in a negative attitude at this time toward business. In this mixed economy we say that when we restrict capital investment a serious decision must be made in respect of a set of priorities. At certain times a decision should be made that the consumer industry should be discouraged and the public sector encouraged. We would make decisions affecting capital flows to bring that about.

My point is that the present government, as preceding governments, is bound by the old ideological framework which suggests that when we cut back expenditure we must always do so in respect of the public sector. I suggest that we should tell certain companies who are spending millions of dollars on expansion in Montreal to cut back on expenses for a year or two because we need the capital that is available on the market. This government will not do that.

Mr. Speaker, may I call it six o'clock?

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. Broadbent: Mr. Speaker, in addition to establishing directing guide lines on investment policy both in the private and public sectors, the New Democratic party would establish a prices and incomes review board which would have the power to authorize or prohibit price increases proposed by companies in a monopolistic or oligopolistic position in our economy. Members of both the old parties have frequently been amused by referring to what they call "socialist myths". All of these I would like at some time to debate with them, but this opportunity will present itself on another occasion. However, I would like to point out to them that they, too, have their myths. The most notorious of these myths is that we live in what they like to regard as a free enterprise economy. The truth is that we live in an oligopolistically dominated economy.

Hon. members, of course, do not need to take the word of a socialist for this; they just need to read the work of almost any contemporary economist. Perhaps they should begin

with that expatriate Canadian liberal, Galbraith, and read his work "The New Industrial State".

Given the fact that we live in an oligopolistically dominated economy, even those committed to a predominantly privately-owned, market economy must honestly face the economic consequences of this fact. These consequences are that the leading firms in the major oligopolistic industries, steel, automobiles and chemicals, for example, can and do charge what they wish in our economy without fear of competition. The consequence of this, in turn, is that all other industries which depend upon their products are affected by their pricing policies and, of course, in this context, by their price increases. They in turn must raise prices. The cumulative effect is that the consumer in our society must pay.

It is quite accurate to say that today big corporations are in the position of virtually being able to tax the population at their will. I suggest that the absence of any market check on the pricing policies of these large concerns is one of the principal causes of increased prices today. Again, Mr. Speaker, the Minister of Finance (Mr. Benson) need not take my word for this; I suspect that some of his advisers have told him the same thing. If they have not, there are a number of economists in the country who would be only too pleased to point it out. We require, then, a public body with real power to provide the kind of checks which at least in some respects were provided by the conventional capitalist marketplace.

Another important cause of high prices is the high cost of money itself; that is, high interest rates. The government, because of its policies, is caught in a vicious circle in this regard. We in Canada have now an established fixed rate of exchange vis-à-vis the U.S. dollar. Also, we have a branch-plant economy whose industrial core is substantially owned by United States corporations. These corporations, in the main, refuse to sell their shares on the Canadian market. This means that although Canada has one of the highest per capita rates of saving in the world, a very large amount of our capital is in fact invested abroad; and a high percentage of that is invested in the United States. The consequence is that in order to maintain the level of our dollar vis-à-vis its U.S. equivalent, we are constantly and increasingly in need of attracting investment from the United States.

• (8:10 p.m.)

In order to do this, the Canadian government must always ensure that interest rates in Canada are at a higher level than those which prevail south of the border. Thus our interest rate is ultimately dependent upon the U.S. interest rate. We have in effect lost control of one of the main aspects of monetary policy. In order to regain control we require two interlocked policies: The first is to abandon our fixed exchange rate. The second and related requirement is to extricate ourselves over a period of years from our overwhelming dependence upon the U.S. economy. Time does not permit me in this speech to suggest how this can be done. My party does have programs which aim in this direction, and if implemented over a number of years, even within the framework of a mixed economy, we could have the desired degree of economic independence. What is required is the political will to make this a reality.

What I have attempted to suggest here, however briefly, is that the government, through both its monetary and fiscal policies, is responsible for existing levels of unemployment. It is pursuing policies which require change. If it wants a significant improvement, dabbling will not work. The government must break out of its own self-created vicious circle. Perhaps, in financial affairs as well as in foreign policy, the government could begin by listening to the speeches of its own Postmaster General (Mr. Kierans).

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I think that all of us have wondered during the past twelve months or so why it should be necessary in a prosperous country such as this to have, month in and month out on a seasonally adjusted basis, unemployment amounting to about 5 per cent of the work force. What worries us even more is the realization that, the way the indicators all point at the present time, this unemployment is going to increase during the present twelve months. I think all of us who have studied these matters have come to the conclusion that 3 per cent unemployment is an acceptable figure with which we can live. Naturally, we would like to have every single person in the country who wants to work able to have a job. However, when you consider the practical realities of the situation, it becomes apparent that when 3 per cent of the work force is unemployed that looks after those who are changing jobs, those who are retiring and those who are sick or are temporarily unable to fill a job. Therefore, a 3

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per cent figure is acceptable. But we would also all agree that the present 5 per cent level of unemployment is unacceptable.

The question we must ask ourselves is: What can we do about it? First of all, it is necessary to examine the industrial indices. When you examine the figures showing, first, the early growth of industrial production which is, as we know, by far the greatest employer of labour; second, the work force, and third, unemployment, we see that there is a definite relationship between these three factors year by year. After this examination we find that if we are going to be able to keep unemployment at a figure no higher than the acceptable 3 per cent of the work force, industrial production must increase each year by about 8½ per cent a year. Last year industrial production increased by only 4.8 per cent, or about half of the necessary increase over the preceding year to keep unemployment at a reasonable and manageable level. To bring unemployment down to this reasonable level of 3 per cent from the present 5 per cent which we are experiencing, we must find out how to increase industrial production by about 8½ per cent this year over the previous year or find some way to have it increase during 1969 at about double the rate of the preceding year.

How are we going to do it? It is obvious that to produce more, first of all, we must be able to sell more. If we are to sell more, we must be able to convince more customers in Canada and abroad that Canadian products are a better buy than the other products that are offered to them on that particular market. This requires an improvement in three things: Design, quality and price. First of all, I am going to deal with what I believe must be done to improve quality and design. Improved quality and design are the product of industrial research, and we should ask ourselves at this point: Has Canada been doing enough industrial research during the past to ensure that our products are of the best design that we can devise and of the best quality? Are we producing enough new products year by year to attract new customers? There are two people who, I believe, are in the best position in this country to answer the question whether Canada is doing enough in this regard. The first is the president of the National Research Council. The second is the man who for five years held the position of minister of industry and who had the prime responsibility for improving design in this country. He also had responsibility for seeing to it that industrial research is being carried out at a satisfactory level to provide the increases in production necessary to provide jobs for those who enter the work force each year.

The minister who held this responsibility for five years is at present President of the Treasury Board (Mr. Drury). The president of the National Research Council said, in a speech which he made last September, that Canada is far behind her principal competitors in industrial design. As recently as two days ago, he said that Canada's research programs are too modest and too restricted. That is his opinion of the industrial research program that we in this country are carrying out.

Now, let us turn to the President of the Treasury Board who, as I said, until six months ago had the responsibility for five years for our progress in industrial research. Let us see what he said about this subject. In a speech which he made in Montreal last September 24 he said the following:

> Canada must more than triple its expenditure on research to become a really scientifically advanced nation.

Then, he went on to say this to the group to whom he was speaking, a three nation chemical engineering conference at the Queen Elizabeth Hotel at Montreal:

• (8:20 p.m.)

> More than ever, co-ordinated research and development by Canadian governments, Canadian universities and Canadian industry on a vastly increased scale is mandatory if we even hope to keep pace relatively with the acknowledged leader in technological innovation, the United States.

At that time the present Minister of Industry asked the following question:

> Are the present tax incentives which the government is offering sufficiently powerful to induce the amount of research this country needs?

I believe the statement which I quoted to the effect that vastly increased research is mandatory, answers the question which I have just put on record. Indeed, there can only be one answer and that, of course, is a resounding no.

It is obvious that the government's incentive program falls far short of what is needed to provide the research which must take place in this country if we are to achieve improved quality, improved design and the new products which a country has to produce year by year in order to attract a sufficiently increased number of new customers on the basis of which sales can increase, production

can increase and increased opportunities can be provided for the employment of the additional Canadians who are entering the work force year by year.

As we know from the figures, our work force is increasing by about 3½ per cent each year. In the light of the increased unemployment figures which I quoted in the first part of my remarks, it is obvious we are not getting even close to employing these new entrants into the work force. The two authorities I have quoted are not members of industry. They are not members of the opposition. They are people closely connected with the present government, people who should know most about whether or not we are doing all that should be done to achieve the amount of research this country needs. I refer, of course, to the President of the National Research Council and to the President of the Treasury Board who for five years has had responsibility in this field.

I should like to deal, now, with the question of what we must do to bring down our costs, and hence our prices, so as to place our products in a better position in competition with other industrial nations. The most important factor in controlling costs is, as you know, productivity, which is production per man hour or per dollar. During the 20 years between 1945-1965, due to the introduction of new machines and new techniques, industrial productivity increased by an average rate year by year of 3.4 per cent. However, during the past three years the increase has been dropping slowly until today it is increasing over the previous year at about half the rate I mentioned a few moments ago. This is the principal reason for the failure of our sales to achieve the volume necessary to stimulate additional production sufficient to absorb the new entrants into the work force.

Those who control industry, the employers of this country, need to be offered an incentive sufficiently attractive to make it worth their while to invest in the new machines and production systems which will make it possible to reduce costs to a point at which they can markedly reduce prices and attract additional customers. The government refuses to offer these incentives. It offers no program to induce the producers of this country to make these changes which would result in the increased productivity we obviously require. I say that such tax incentives would not cost the government anything in the long run. In fact, they would be the best investment it could make. Increased productivity, and increased sales, would provide more income tax because more people would be employed and become liable for income tax instead of receiving unemployment insurance. More revenue would be received from commodity taxes because more articles would be sold subject to sales tax. More corporation taxes would be paid because there would be more profits for the government to tax. No doubt, in the first year there would be a temporary tax loss, but this would be regained many times over in the longer run.

I have mentioned two steps which would materially increase sales and, in turn, make possible the employment of a larger number of people. These are things which could be done. These are things which must be done. But these are things which are not being done by the government at the present time although it must be obvious that action along these lines is needed, particularly since the chairman of the National Research Council and the former minister of industry (Mr. Drury) have both indicated that our research program is not sufficient to keep this country competitive. It is obvious that our productivity is falling year by year, that it is not increasing at the rate necessary to pave the way for the employment of new entrants to our work force.

This government is showing a mixture of arrogance and complacency. Hon. gentlemen on the treasury benches opposite feel they are in office for four or five years and refuse to listen to any suggestion made by anyone but themselves. They answer questions about their policy in this field by saying that everything is in a satisfactory condition and that all the country has to do is to put its hand into the hand of the government and have confidence. It would be fine if we could do so, but we cannot, because it is obvious that unemployment is increasing, that productivity is decreasing and that the men best able in this country to know about the condition of our industrial research believe we are not doing nearly enough to keep abreast of our competitors.

• (8:30 p.m.)

This government was elected on June 25 to do a job for this country, and this job they promised to do. I say to them once more; snap out of your complacency, lose your arrogance—if you can—and get on with the job that you were elected to do.

Mr. Mark Smerchanski (Provencher): Mr. Speaker, some members of the opposition

have taken a very pessimistic approach to the economic problems facing Canada today. They have adopted an attitude which is not only corrosive but very abrasive indeed. I shall leave this approach to the members of the opposition, since it appears to be their field of endeavour.

Present conditions in Canada are very much on the bright side. Canada is a wonderful country, and if anybody feels that he has no faith in Canada's future let him pack up and leave because others will be glad to come and take his place. I have the utmost faith in the achievements of this government. It has been able to give the country solid and realistic guidance.

Not one member of the opposition referred to any of the positive programs that the government has introduced. I appreciate that we cannot solve all our labour problems; nor can we solve all industrial and economic problems because of constantly changing conditions. We are asked on this side of the house to lose our arrogance; I submit we are far from arrogant and we are also responsible.

It is true that some operations of the government do require alteration. But this is progress. Progress requires change, reorganization and improvement where necessary. Admittedly, there are areas of distress such as the setbacks in agriculture with sagging wheat sales; the recent grain handlers strike at the Lakehead, the settlement of which imposed a further financial burden on the western farmer; and conditions in respect of the wheat itself that have hurt Manitoban farmers far more than those in Saskatchewan and Alberta. I am not in completely happy with the economic conditions that exist today, but I know that with hard work and proper constructive criticism we can go forward and achieve much.

I should like to mention a few facets of Canada's electrification program that some hon. members have purposely avoided mentioning. This program is one of the most creative advances made in the field of electrical transmission by any country in the entire world. Canada's applied knowledge in the field of electrical power production is second to none in the world today. We have hydro-electric power development in Canada which is developing some 132 million kilowatt hours. We have thermal electrical power producing some 32 million kilowatt hours, and nuclear power that is producing 140,000 kilowatt hours.

Atomic Energy of Canada has worked out one of the most impressive, imaginative and vital trans-continental links in the dominion of Canada. The western system has enabled us to have a direct power hook-up with Ontario, Manitoba and Saskatchewan. The western system is shortly to be tied in with that of Quebec Hydro, and in this manner, through the efforts of Atomic Energy of Canada in conjunction with every provincial hydro commission, we will be assured of no more blackouts in Canada. In addition, Atomic Energy of Canada has made a further breakthrough in one of the most advanced and exciting fields of endeavour in the world.

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

Mr. Smerchanski: After I am through. Atomic Energy of Canada, jointly with Manitoba Hydro, are engineering a project that will transmit power from the northern parts of Manitoba to Winnipeg under direct current transmission instead of the usual alternating current transmission that has been in use in Canada. This system for the transmission of direct power is the only known use of this type of operation in the world. The additional power that will come into the southern parts of Ontario, Manitoba and Saskatchewan will create more jobs and industries.

The Nelson River development in northern Manitoba will provide isolated areas in northern Manitoba and northern Ontario with a microwave network which will enable the residents of these areas to enjoy television service. It will also enable the Manitoba Hydro to operate hydro power installations by microwave, and will enable the transmission, distribution and operation of the entire hydro-electric complex to be controlled remotely.

In addition, I forgot to mention one other important feature. Atomic Energy of Canada, jointly with Quebec Hydro, have been able to establish the first power research laboratory in the province of Quebec. This particular research institute is located at Varennes, Quebec, and cost $28 million. It is the only establishment of its kind on this continent that is able to undertake electrical power research on such a large scale. People from all over the United States come to the institute to learn methods of electrical transmission. I think this augurs well for the aggressive approach the government is taking to the development of research and industry.

• (8:40 p.m.)

A tremendous development of coal mines is taking place in the foothills of Alberta. Judging by what has happened in the last six months, approximately 2,000 additional coal miners will be needed to work the new mines. Apparently there are too many coal workers in Cape Breton. It is only natural that we should shift those coal miners to another part of Canada where they are needed, and that this being done under the manpower mobility program. As a result, I can see no foundation for the arguments hon. members of the opposition have raised to the effect this government is doing nothing to help our workers.

Mr. MacEwan: You just want to move us all out.

Mr. Smerchanski: As reported on page 4908 of *Hansard* for January 29, the parliamentary leader of the New Democratic Party asked a member of the government to name even one little thing the government has done to deal with the increasing rate of unemployment in Canada. His remarks implied that the government is doing almost nothing to solve Canada's unemployment problems. Those remarks are tommyrot. For instance, at Thompson, Manitoba, new mines are being developed at a tremendous rate; the number of operating mines may soon double. The International Nickel Company will require 2,000 additional employees for those mines. In addition, the company is laying 48 miles of new railway line.

All these activities are developing Canada and are creating new jobs in Canada. I wonder how many hon. members of the opposition are aware that 48 miles of brand new railway line are being laid in northern Manitoba. I doubt if any of them know about this. Some may, but only very few. If we have surplus labour in Newfoundland, I suggest that these workers could find gainful employment with the International Nickel Company at Thompson, Manitoba.

Many other new developments are taking place in Canada as a result of this government's foresight and imagination. We have the Panarctic oil development which has excited and stimulated the imaginations of scientists and engineers of Canada as well as many other parts of the world. Therefore, I say that the opposition charge that this government's attitude toward labour problems is arrogant is not true.

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I also wish to mention the fantastic, gigantic development taking place in and around the port of Vancouver. From Port Moody, New Westminster, North Vancouver and Roberts Bank, not less than 25 million tons of concentrate will be shipped by 1975. Present shipments of minerals from those places amount to approximately 6 million tons. The principal items of export from Roberts Bank will be potash from Saskatchewan, coal and sulphur from Alberta and from the interior of British Columbia as well as large quantities of copper concentrate, molybdenum concentrate and nickel concentrate. These products will go to foreign markets. All this will mean the creation of new industries and new jobs. New jobs will be created directly, and each job that is created directly will create three or four other indirectly. Every time one man becomes employed in primary industry several other men become gainfully employed in ancillary industries. This kind of development is taking place today in Canada. It is development of which we can be proud. Nevertheless, a gloomy view prevails among hon. members of the opposition.

What are traffic trends on the west coast, Mr. Speaker? The potential development of traffic on the west coast is tremendous and almost beyond the bounds of the imagination. Japan is constantly seeking more of our coal. We have seen a spectacular increase in potash exports from Saskatchewan, and our sulphur exports are increasing at a fantastic rate every year. For instance, in 1961 the total exports of sulphur amounted to 21,000 tons. In 1967 this figure had reached 2 million tons and is increasing at approximately 500,000 tons per annum. The movement of all this potash requires a great deal of planning because the tonnage exported is doubling about every four years. Those exports are leaving the country through the port of Vancouver. All this development, of course, has been made possible as a result of the foresight of the officials of our present Department of Transport and of our Minister of Transport (Mr. Hellyer). The government has been able to plan the development of Roberts Bank and make all this development possible.

I have been speaking about real developments, real changes which this government has introduced. These are the kinds of development which will create new jobs, new industry and new sources of taxes for the government of Canada and the provinces. As I said, the four major developments on the west coast have been made possible through the foresight of the government. They are the

realization of a dream of the Minister of Transport and officials of his department.

Perhaps there have been some errors; yet our accomplishments far outweigh any errors that may have been committed in planning or designing. Hon. members of the opposition keep telling us that Canadian manufacturers need government help to design and improve their products. That is simply not true. Manufacturers merely want the government to create an atmosphere conducive to industrial development. Industry can take care of itself and will build up this country. Our industrialists will employ increasing amounts of labour. After all, the creation of jobs is a function of industry.

I should like to go on and say something about mining and exploration in Canada, but time does not permit. May I bring to your attention, sir, the accomplishments of our geological scientists who, under the auspices of the present government, are doing tremendous work. No doubt some hon. members are acquainted with the developments in mining taking place in Rouyn and in the Noranda area.

• (8:50 p.m.)

Let me bring to your attention very briefly, Mr. Speaker, the fact that this area has been prospected since 1927. So many drill holes have been spotted in that area in the quest for ore that it resembles Swiss cheese. Yet more recently, with modern geophysical tools—

The Acting Speaker (Mr. Béchard): Order. I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Béchard): Does the house give unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Mr. Smerchanski: Thank you, Mr. Speaker. More recently an anomaly was investigated and our Canadian engineers discovered and developed what is known as the Delbridge ore body. One of the most interesting parts about this discovery program is that it was headed by an engineer, Julian Boldy of Ireland, who came to this country in 1966.

Mr. Paproski: Hurrah for the Irish!

Mr. Smerchanski: This engineer wanted to contribute to the development of Canada and discovered several million tons of copper ore approximately two miles northeast of the Noranda operation. This discovery will enhance the development of that area by some $20 million. Much of the money will be used to purchase materials for the development of the mine. Work opportunities in the area will be provided and indirect benefits to industry will be created because additional machinery and mining equipment will be required to develop the project.

At present, mining activity in Canada is at its highest peak. Never in the history of Canada has mining experienced the type of development that is taking place today. A large part of this development is due to the foresight and planning of the government. I say that it is this imaginative, aggressive type of program that will create more jobs, more industry, and a larger source of tax dollars for the Canadian government.

Some hon. Members: Hear, hear.

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

Mr. Smerchanski: Certainly.

The Acting Speaker (Mr. Béchard): The hon. member's time has expired, unless there is unanimous consent for this question. The hon. member for Hamilton West.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I believe that this motion the Opposition has put forward for debate deals primarily with, and is concerned about, the equality of life of people in this great land of ours, and also with the equality of our economic development. But, Mr. Speaker, we have to come back to the basics, and that is people. People are the greatest asset that we have and because of this all our attention, our energies and our resourcefulness should be primarily concerned with them. We must continually keep our ears receptive to the legitimate aspirations of people. If the Canadian people are concerned in any area, government should be concerned. If people demand action, government should give them action, and if people express the need for leadership the government should give them leadership. This is what participatory democracy is supposed to be about.

Just a short time ago I heard an hon. member state that the Opposition thinks the government has to solve all the problems. We don't want them to solve all the problems, just let them solve some of them.

Some hon. Members: Hear, hear.

Mr. Alexander: This is what their mandate is about, Mr. Speaker. We cannot tolerate an indifferent or complacent attitude to the disparities in the quality of life being experienced by individuals, which are unquestionably obvious, nor can such an attitude be accepted as a philosophy of life. It is senseless and useless to express great theories for national unity if within this country there are some 4 million people on the poverty line, and yet we still remain indifferent. These are the have-nots, Mr. Speaker, and their potential strength as one voice is indeed a force to be reckoned with.

The aptness of the motion now under debate is not only demonstrated by the frightening figures on national unemployment, by the bad state of many of our primary industries and the dangerous condition of our commodity exports but, even more clearly, by the lethargic approach of the government to these problems and the futility of what little action it has taken to solve them.

The government's chief fault, in my view, is its consistent refusal to tackle the gut issues that face Canada and which, every day, weigh upon the minds and purses of ordinary citizens. After almost six months in office, the government has totally failed to come to grips with the real issues of concern to the average Canadian citizen. We have yet to learn of any legislation designed to widen and improve the employment prospects of thousands of young Canadians who will be coming into the labour market. There has been nothing suggested to assist workers already in the labour force to adjust to the changed conditions of that market. I have heard members of the opposition continually ask the government to state their policies, ideas and intentions, and members of the government continually state "This is under review" and "That is under review." This is a time for action, Mr. Speaker.

The latest figures on unemployment prove that the government has been able to do nothing to arrest the perennial economic scourge of unemployment, let alone cure it. We cannot allow an accumulation of grievances to grow in the fields of unemployment, poverty, slum conditions, rural poverty, urban waste, inflation and higher taxes. Grievances, if allowed to smolder and simmer over long periods of time, can have disastrous results.

When one thinks that by 1991 the province of Ontario alone is going to have some 10 million people in it then, I would respectfully submit that we have to be concerned, and this government must give leadership. When one thinks that 80 per cent of our population will be living in urban areas by 1981, we have to be extremely concerned. I believe that these fundamental problems existing in Canada appear to have escaped the imagination and attention of our government.

Prior to June 25 last the government promised little, and to date has delivered less.

Some hon. Members: Hear, hear.

Mr. Alexander: Members of the government promised not only to govern, but to create. They were going to create a new Canadian society, the just society, in which we all would have hope, in which we all would have a life of decent quality. But in my view, Mr. Speaker, any society, just or otherwise, can only develop on a foundation of healthy economic growth. Healthy economic growth means job opportunities, decent annual incomes, steady demand and steady production and, last but not least, equality of opportunity to share in national development and national prosperity.

No society can be termed just that contains within it the regional disparities that we find in Canada. No society can be truly just that can callously write off, for the sake of convenience, primary industries that happen to have fallen on evil days and whole sections of the population who happen, through no fault of theirs, to be forced to share this condition. I am thinking of the fishing industry, of the farming industry and of the steel industry which, incidentally, is claiming that the anti-dumping legislation is too little and too late. People in the steel industry are concerned about whether the government is prepared to advise the people of Canada to buy Canadian, because this seems to be their only hope.

But this government is obsessed with abstract things. It has no time or inclination to tackle unpleasant emergencies such as exist in the Atlantic provinces among fishermen, in eastern Canada in the agricultural industry and across the wheat producing prairies. The government has less inclination to tackle the urban problems and the transportation problems that are coupled with these other problems. We are asked to treat as urgent, and this is what concerns me, such problems as constitutional reform, amendments to various acts covering social behaviour, language rights and the reform of parliament. All these may have a place of importance, but I tell this government there are

other areas in this country which ought to have greater priority and which require their immediate attention. The title of the latest report of the Economic Council of Canada is "The Challenge of Growth and Change". This is a challenge that has been ducked by this government, just as it has ducked the recommendations of that body. In reading the reports of the Council for recent years one is struck by the number of times the expression "full employment" crops up. Invariably, this phrase is coupled with a strong affirmation that it is one of the principal keys to Canada's future.

• (9:00 p.m.)

I suppose everyone has read the latest report of Canada's Bureau of Statistics on Canada's labour force. I read it and I was appalled by what I read. Here we are, a nation spending close to $11 billion a year on our central government and taking in well over $10 billion in revenue, with an export trade reckoned in the multi-billions. This Country is the envy of many underdeveloped nations and not a few industrialized nations. It has a high standard of living, is supposedly possessed of space, uncounted natural and human resources and a merciful detachment from the problems created by unfriendly neighbours. Yet with all these advantages, with all our achievements, our affluence and our potential, we must admit to an inability to gainfully employ close to 5 per cent of our people who are able and willing to work. This is what we must be concerned about. In spite of all these advantages, we are still in trouble. Surely, the solution of this problem presents sufficient challenge for the most imaginative and dynamic government, which this government says it is.

This figure of close to 5 per cent unemployed, 4.7 per cent to be exact, is bad enough in itself. But what is worse is the regional breakdown. Here, we find a rate of 7.1 per cent for the Atlantic provinces; 6.8 per cent for Quebec; 3 per cent for Ontario; 3.4 per cent on the prairies and 5.4 per cent in British Columbia. The Economic Council of Canada states that the level of unemployment in the Atlantic provinces, and to a lesser degree in Quebec, is persistently higher than the national average at all times. The Council further points out that when the national level of unemployment falls, the level of unemployment in these regions also falls but their share of total unemployment tends to rise. Should we not be concerned about the apathy and complacency? Such a condition points to the need for flexible policies applicable in differing degrees to regional needs rather than blanket policies which take no regard for regional needs and only accentuate regional disparity.

Everyone will remember that one of the promises of this government was to tackle and overcome this problem of regional disparity. The only regional action taken by it so far has been the setting up of regional desks in the office of the Prime Minister (Mr. Trudeau). This is hardly action calculated to equalize economic and social opportunities across Canada. The people know about this situation and want to know why we are not solving these problems rather than proceeding in the pussy-footing way in which this government seems to have become so very adept. You may wonder, Mr. Speaker, why, representing an urban Ontario constituency as I do, I should be concerned with farmers and fishermen in the maritimes or wheat producers on the prairies. The answer is quite simple. I believe this is a united country, one country, and that what will benefit a Canadian in one region will benefit Canadians in all regions; what weakens one region of Canada is bound to weaken the whole national structure.

My chief concern right now is that we are not doing adequately the things that should be done to provide the most employment. Figures are available in abundance to show that our universities, technical and vocational schools and other specialized training establishments have not been able to keep their output of employable Canadians in gear with the rapidly changing demands of the job market. Nor do I believe that our present policies covering labour mobility, retraining and placement, are in step with the tremendous changes that have taken place and are still taking place at an accelerated rate in the demand of the Canadian economy for workers. I believe our most pressing need is for priority government action that would coordinate support of the labour force and those seeking employment to ensure maximum efficiency in the future use of Canada's labour force.

The situation today is that we are turning out too many people who are skilled in areas where demand for their services is falling off and are not turning out enough in areas where demand is growing rapidly. This is a major problem which faces the 88,000 young

Canadians who will graduate from universities this year. The same holds true in the case of craftsmen and skilled workers in the manufacturing, construction and processing sector of industry. We are trailing change in our efforts to help those who want to give work and those who want to find work. We must ensure that our national labour force is equipped to meet changes in the demand for their services.

Something of this problem may be seen in the figures supplied in the 1968 report of the Economic Council of Canada. There it is stated that in 1946, 60 per cent of the workers were employed in goods producing industries and 40 per cent were employed in service industries. Twenty years later, in 1966, these figures had been reversed. Forty per cent were employed in industries producing goods and 60 per cent in service industries. This is the problem which I hope the government will be able to appreciate and in respect of which I hope it will be able to come forward with the necessary solutions. In the same period, the old reliable primary industries accounted for a smaller and smaller percentage of the labour force. Agriculture went down from 24.8 per cent to 7.4 per cent and forestry and fishing went down from 2.3 per cent to 1.4 per cent. This is the key to our problem.

This acceleration of employment in service industries is an international experience, but is far more pronounced in Canada than elsewhere. Also, it is more significant because in Canada the labour force is growing at a rate far ahead of that of any other western nation and will continue to do so beyond 1980. I am concerned about the effect this will have in terms of the population in the 1980's. This is why we must all be concerned. We need policies, we need direction and we need leadership. This must come from that side of the house which was given that great mandate, and which they think is the be-all and the end-all. If they do not take advantage of this mandate in terms of solving the basic problems, then I believe they know what the answer will be. I notice that the minister looks at you, Mr. Speaker, with some concern. This is the name of the game; if you do not produce you are out.

Mr. Benson: You fellows have had a lot of experience.

Mr. Alexander: I shall not take too much more time, but in conclusion I should like to say that these are basic national problems. I wish to emphasize the desperate need for government action not only to overcome unemployment but to ensure future employment. We have been told in the past 15 minutes or so that this is the most pressing of the national tasks facing this government. Let us hope that within the very near future we will see some sign that the government appreciates this situation and intends to act. I do not mean "soon" in the sense the government uses that word. I mean tomorrow, if they have that ability. I hope the government appreciates the situation. I do not want to be nasty, but I am concerned. Let us have some policies from this government. Let us have some intentions and then I can truthfully perhaps believe in the just society. If we do not have some of these things, Mr. Speaker, we are lost.

• (9:10 p.m.)

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, when I read the wording of the motion "That this house regrets that the government is not presenting programs to achieve a rate of economic growth which will reduce unemployment and also insure that the economy will be able to absorb the large number of new entrants into the labour force this year", and the wording of the amendment which added the words "and that, instead, the government has slowed down public investment and has pursued fiscal and monetary policies deliberately designed to increase unemployment", I found them both interesting and provocative. They led me to think that the opposition benches would put forward a serious discussion of the basic economic issues facing the country, and especially some ideas of alternative policies which would clarify their real position. I regret, and I am disappointed, that nothing like this has been forthcoming in this debate.

Instead, all we have had has been a catalogue of platitudes from the Leader of the Opposition (Mr. Stanfield), which does nothing more than establish that he is for economic as well as moral virtue. One could never have any doubt about the hon. member in respect of the latter, but it is also good to have reassurance that he also stands for the former, even if he is lacking in new ideas and proposals in spite of his vastly expanded staff. On the other hand, from the far right, and I speak politically when I talk about the right corner of this house, the routine folklore of the economic bogeyman hiding under everyone's bed has come forth; the familiar economic superstition which haunts every

speech of the N.D.P., namely, the suggestion that we spend our way out of inflation.

It is amazing that the opposition speeches show an almost complete lack of awareness of the potential conflict between full employment and price stability; the so-called trade off problem which has dominated the economic literature of the past decade and which was thoroughly researched and documented in Canadian terms by the Economic Council of Canada. However, even if the opposition is so patently lacking in knowledge and understanding ideas or proposals, this debate provides an opportunity to put forth an up to date appraisal of the performance of the Canadian economy, and this is what should have happened. It provides an opportunity to take a further look at developing trends and proposals for 1969, and to review and confirm the broad policy posture of the government.

Before turning to an appraisal of the current situation and prospects for 1969, I think it is important and instructive to put the question of the growth of the economy in its true perspective. The fact is that throughout almost the whole of the 1960's the Canadian economy has been enjoying the longest and most substantial period of growth in modern history. The economic expansion that began early in the decade has continued for an unprecedented span of years. Although the pace of growth slowed in 1967-68, and the rapid rate of new job creation eased up to some degree, this period of adjustment was so short and so mild that even the worst pessimists, including the Leader of the Opposition, have been unable to call it a recession. The period of expansion has been so strong and so extensive that most Canadians now seem to take for granted that we can sustain a widespread, general prosperity and an unflagging growth in employment, as well as a rapid gain in living standards.

It is this very success that has given rise to new aspirations and new expectations among all Canadians. There seems to be a widespread notion that the economy can do anything it is asked to do. It is this very success and the explosion of expectations, however, that is in danger of creating entirely new problems and the need for sober, practical appraisal of alternative objectives. The cost of these alternative objectives is very great. Neither idle prattle about economic platitudes nor doctrinaire tilting at windmills is very useful in dealing with the present state of the Canadian economy.

[Mr. Benson.]

Looking back over the most recent five year period, we can get a real measure of the progress achieved since 1963 when the Liberal party formed the government after five years of Tory rule, and which underlies the heightening of our goals and aspirations.

Between 1963 and 1968 total output of the economy in real goods and services, without considering any increases in prices, increased by some 30 per cent; that is, by an average of 6 per cent per year in real terms. It thus overshot the target originally suggested by the economic council back in 1964. In 1967, therefore, the council lowered its target rate of growth to 5 per cent annually over the remaining years to 1970, a fact of which the Leader of the Opposition seemed to be unaware in his speech.

In terms of employment, we added 1,134,000 new jobs between 1963 and 1968. This was an average of 227,000 new jobs every year, again well over the target rate of job creation suggested by the economic council in 1964. The overall gain in real production meant that on a per capita basis real living standards rose by 18½ per cent, not far short of 4 per cent annually over the five year period.

Mr. Knowles (Winnipeg North Centre): Tell us about old age pensions.

Mr. Benson: They have gone up by an even larger percentage. This rate of real growth was almost twice as great as that achieved during the preceding five year period from 1958 to 1963. That unfortunate period, of course, is well remembered as one of economic stagnation and frustration in Canada when unemployment averaged 6.4 per cent per year, some 50 per cent higher than the average rate of the past five years during Liberal government.

This look backwards over the recent past gives us a perspective to judge where we are at present, and where we are likely to go in 1969. Everything that has developed and come to light since the budget message of last October helps to confirm the accuracy and soundness of the economic analysis and the broad fiscal policy proposed in that budget. It is apparent that the temporary easing in expansion experienced in 1967 had ended by the end of that year and that since then the economy has re-established a strong forward momentum which it is expected will continue. The most recent data suggests an acceleration of growth in the final quarter of 1968 which will be reported soon.

In the October budget, I forecast a gain in the gross national product of about 8 per cent. It now appears that the growth rate will surpass 8 per cent and push the G.N.P. for 1968 to an all-time high level, well over the $67 billion level. Further, as my colleague the Minister of Labour (Mr. Mackasey) mentioned, and it was also mentioned yesterday by the Leader of the Opposition, the latest monthly figures on unemployment have fallen below 5 per cent. They help to confirm a declining trend in unemployment since last mid-summer.

• (9:20 p.m.)

It is also clear that productivity rose significantly, and our ability to compete in our main foreign markets, far from deteriorating as alleged by several speakers opposite, actually improved during the past year. This is attested to by the remarkable upsurge in exports, which even the Leader of the Opposition has had to acknowledge in some sort of unhappy and sad way. The result has been a highly favourable trade balance for Canada in the past year, which coupled with the continued inflow of investment capital has reinforced the basic strength of the Canadian dollar. As hon. members know, our dollar has been trading at or close to its upper limit for many months now.

Further, since the government successfully renegotiated the arrangements with the United States, we continue to enjoy preferred access to United States capital markets without the limitations of any numerical target on our foreign exchange reserves. We have undertaken not to borrow from the United States for the purpose of increasing our foreign exchange reserves. However, our reserves are free to move in accordance with the needs of our domestic economy, and we have secured greater potential flexibility and freedom in the operation of monetary policy in this country. In recent months our reserves have increased and are, I should point out to hon. members, in an extremely healthy position. All this reflects the high degree of confidence in Canada and its economy to be found in the outside world.

It is remarkable that among investors outside Canada, those who can stand back and observe our performance and prospects in a straightforward, objective manner—those who are not subject to the neurotic fear of impending doom which seems to infect the opposition benches—there is nothing but the strongest degree of confidence in Canada and the Canadian economy—

Some hon. Members: Hear, hear.

Mr. Baldwin: Is that why they are cashing in their bonds?

Mr. Benson: —and an appreciation of the soundness of its economic policies.

Mr. Nesbitt: We heard the same speech ten years ago.

Mr. Benson: Mr. Speaker, an hon. member said that he heard the same speech ten years ago.

Mr. Nesbitt: And written by the same people right up there in the gallery.

Mr. Benson: But I assure the hon. member that he did not hear it seven years ago, when he was a member of the party in power in Canada.

Some hon. Members: Hear, hear.

Mr. Benson: Needless to say—

Mr. Nesbitt: On a question of privilege, Mr. Speaker, the minister went out of his way to make an observation concerning myself. That is fine; but on a question of privilege I should bring to Your Honour's attention that a few moments ago the minister made a point of saying that the great boom and prosperity started in the 1960's.

The Acting Speaker (Mr. Béchard): Order. The hon. Minister of Finance.

Mr. Benson: I was simply stating the facts, Mr. Speaker.

An hon. Member: That is quite a change.

Mr. Benson: I would like to look forward to what I think will happen in 1969. Needless to say, I share the confidence and optimism of these detached, outside observers who have confidence in the Canadian economy, rather than the gloom and fear of members of the opposition who really have not any faith in this country of ours and the opportunities that lie within it.

Mr. McIntosh: We have no faith in the Minister of Finance.

Mr. Benson: You do not even have any confidence in the Leader of the Opposition.

Some hon. Members: Hear, hear.

Mr. MacEwan: When do you intend to balance the budget? Give us a rundown of that.

Alleged Failure to Reduce Unemployment

Mr. Benson: I can confirm now the prospect suggested in the October budget that 1969 should be a year of strong and better balanced growth. All the indications at present point in this direction. One of the most important is the expectation of a vigorous upturn in business capital investment. This is likely to be in the order of 8 or 9 per cent. This will be a strong element in the expansion of demand in 1969, and I think answers the question put by the Leader of the Opposition regarding what offset was in prospect to make up for a return to a more normal rate of growth in exports during the forthcoming year. This upturn in investment is also particularly important in its relationship to the creation of new job opportunities in Canada, not only in construction and the capital goods industries but to the continuous rise in production and service employment.

In this connection, it is important to note that the growth in investment was foreshadowed by the strong recovery in business profits in 1968, which was abhorred by members of the New Democratic party. This recovery was of course necessary and was related to the squeeze on profits in the period preceding 1968, when they fell below their historically normal level as a percentage of the national economy. It is important that a reasonable level of profits be earned to sustain the high level of investment necessary to provide the rapid rate of new employment creation in industries of high productivity in Canada.

All the other elements of demand in the economy, personal consumption, housing, which will continue at record levels, government and exports, remain strong. This very strength of demand in fact underlies the main problem in economic policy over the year ahead, the need to restrain demand and combat continued inflation. I have spoken before on the problem of inflation.

An hon. Member: You certainly have.

Mr. Benson: I dealt with this at some length in the budget of last October. But the evidence of accelerating strength in the economy lends increasing importance to the balanced range of policies we are now following, I think to good effect.

As I said in my budget, "the most urgent need now is to check further the continuing increases in prices and living costs." I noted at that time that the burden of inflation falls with greatest weight on those lacking the bargaining power to protect themselves against inflation; that inflation undermines the whole basis of an efficient competitive economy and disrupts the smooth flow of savings and investment through capital markets in our country.

[Mr. MacEwan.]

A resolute fight against inflation does not mean that we are ignoring the basic goals of full employment and rapid job creation. On the contrary, our policy is to look forward to a substantially larger increase in jobs in 1969 than was the case in 1968. Even a high rate of job creation, however, may not lower unemployment to the minimum levels we would all like to see. I am sure that all of us would like to see this country achieve the position where everybody who wanted a job could find one, and indeed this will continue to be Liberal policy.

Some hon. Members: Hear, hear.

Mr. Benson: However, it must be remembered that we are in the midst of an unprecedented boom in the growth of the labour force. Our rate of increase is easily the highest of any western industrialized country, and as the Economic Council has pointed out, is much larger than the entire labour force growth being experienced in Britain, West Germany and Italy all put together. Further, as the regional statistics referred to in yesterday's debate make clear, the problem of structural unemployment is probably growing more severe and does not lend itself to solution by fiscal stimulus. There is, of course, a real problem of short-term conflict between our goals of full employment and price stability.

• (9:30 p.m.)

But as I said in my budget speech, and repeat again today:

> We should not delude ourselves into thinking the choice is between either policies of fiscal ease to counter unemployment or policies of fiscal restraint to fight inflation. In our present circumstances, unchecked inflation would precipitate the kind of economic disruption in which unemployment would surely increase and we would end up with more of both of these evils.

In summary, the growth of the economy is accelerating and the prospect for 1969 is for a further period of strong expansion in the Canadian economy. The main danger is that the forces of demand may set off a new round of inflationary price and cost behaviour, which sooner rather than later would result in severe economic disruption and hardship to the people of our country.

The government is seeking in its policy to find the right balance in supporting the forward thrust of the economy, in maintaining high employment, and in striking hard at inflationary forces. Briefly stated this means that we intend, first, to put first priority upon a relatively balanced budget in 1969-70; second, to hold down aggregate spending—

The Acting Speaker (Mr. Béchard): I regret, but I have to interrupt the minister.

Mr. Baldwin: Mr. Speaker, we are perfectly willing to allow the minister to complete his speech. After 20 minutes of platitudes, we will allow him one more minute in which to give us some facts.

Mr. Benson: I thank the Opposition house leader very much and may I tell him that after listening to two days of platitudes I am sure he could stand 20 minutes during which I expressed what is happening in Canada.

An hon. Member: Tell us about the cost of living.

The Acting Speaker (Mr. Béchard): Order.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): On a point of order, Mr. Speaker.

I would like to point out to you that we have no objection if, with the unanimous consent of the house, the Minister of Finance (Mr. Benson) wishes to go on with his speech, but I should like him to leave us at least a few minutes since one of our members would like to make a few comments.

[*English*]

Mr. Benson: I will finish in two or three minutes.

Mr. Knowles (Winnipeg North Centre): You finished before you started.

Mr. Benson: You fellows in the N.D.P. were finished 20 years ago, and the sad fact is you are beginning to realize it. Let me continue, Mr. Speaker.

Briefly stated, this means that we intend to put first priority upon a relatively balanced budget in 1969-70; to hold down aggregate spending, but deploy the direction and location of expenditure as much as possible to reduce regional unemployment; to continue strong support for the wide range of supply oriented measures which increase the mobility, training and efficiency of the labour force; to support the central bank in a firm but flexible monetary policy in support of orderly economic expansion; and, finally, to provide adequate resources to the Prices and Incomes Commission in its work of research, education and exposure of inflationary price and cost pressures.

With these policies I am convinced that Canada will move forward in 1969 and that despite the relative lack of interest in this economic debate in the last couple of days, which may indicate that most hon. members are satisfied with what is happening, I can assure all hon. members that we on this side of the house will not be satisfied until the economic goals of relatively full employment in an economy where inflation is limited and price and cost increases are limited, are finally achieved.

Mr. Stanfield: I wonder if the minister would permit a question?

The Acting Speaker (Mr. Béchard): Order, please. The time allotted to the minister has expired, unless there is unanimous consent of the house to allow him to speak further.

Some hon. Members: Agreed.

Mr. Stanfield: Mr. Speaker, I should like to ask the Minister of Finance whether he would not agree that the white paper tabled by his colleague, the Minister of Consumer and Corporate Affairs (Mr. Basford), states that the policies of the government have not successfully curbed inflation or reconciled a sufficient price stability with an adequate rate of employment, and that none of these policies has led to that end.

An hon. Member: Put the question.

Mr. Stanfield: This is my question. I am asking whether he would not agree that whenever adequate levels of employment have been reached, government policies have led to excessive inflation. I am asking the Minister of Finance whether he is putting forward any additional policies which would offset this finding.

Mr. Baldwin: Another cabinet split.

Mr. Benson: What is happening in the Canadian economy is that since the Liberal government first came into power in 1963 there has been a tremendous expansion and such a wonderful spirit of optimism that most Canadians have come to feel that there is no limit to what can be done by our economy. We must all learn, as Canadians, that we cannot take more out of this economy through increased personal incomes or

increased business profits—with which my hon. friend is familiar—than we put into it through increased productivity, or else prices are going to increase.

• (9:40 p.m.)

[*Translation*]

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I would like to say a few words on the unemployment which prevails in Canada, in the province of Quebec, and more particularly in the constituency of Villeneuve which I have had the honour to represent here since the 25th of June last.

Mr. Speaker, like several hon. members I have lived through the economic crisis of the 30s, and I think that what was to blame at that time was the monetary system. For almost 25 years the Ralliement Créditiste has been trying to make that clear to the old political parties of Canada.

At that time, people knew nothing whatever about the machinery of national and international finance. It was a young country and, like today, everything had to be built. However, at that time, like today, we did not apply the necessary measures to finance the projects in question, which would have given work to the unemployed, which would have contributed to build a Canada where it is good to live.

Mr. Speaker, people rebel against a system as inhuman as ours, and they are right. Everybody knows that Canada can feed 100 million people, without too much effort. Labour is not scarce, thanks to modern technology which makes it possible to produce a lot.

We could easily give to each and everyone a decent living and moreover, help the developing countries.

Mr. Speaker, recently, while visiting a small town in my riding, I met unemployed people who were unable to purchase the bare necessities of life.

I even visited a family where the father has a heart condition. He can no longer work and provide for the needs of his family. He is reduced to living miserably in a small house. His ten children sleep in beds without mattresses and without blankets. They are cold and they cough. How can these people believe that they live in a rich and beautiful country like Canada.

How can we feel fortunate to be living in Canada.

[Mr. Benson.]

Today, in 1969, Mr. Speaker, unemployment in Canada is so serious that two persons out of five are ill-fed, badly housed and badly clothed. Undoubtedly, as many people know, 80 per cent of the world's wealth is controlled by 18 per cent of the population. If war broke out today or to-morrow, the Minister of Finance, who said a little while ago that the opposition had no solution to offer, would find a solution quite rapidly.

This afternoon, the Minister of Forestry and Rural Development (Mr. Marchand) said that the opposition had magic solutions. I do not believe that the two ministers are in agreement, because the Minister of Finance told us that the opposition has no solution to offer.

We in the Ralliement Créditiste party, have been repeating over and over again for a long time, the solution is to use the Bank of Canada, which is controlled by the government and could easily finance its projects, as well as those of the municipalities and provincial governments. However nobody seems to listen to us. We are supported by economists who have thoroughly studied the question. Personnally, I have been in the Ralliement Créditiste for 25 years and I sincerely believe that the government should make use of the Bank of Canada to help our population.

Mr. Speaker, I have listened to all kinds of speeches this afternoon. People were wondering whether there was enough credit available in Canada, enough machinery, enough building materials to speed up construction and give work to the unemployed. Let us consider the case of Val-d'Or, for instance, where there is one hospital which has outgrown the city's needs. There is sufficient land to build two hospitals such as the existing one but patients are waiting in line to be admitted. Doctors have great difficulties to practice medicine. They say there is no money to build a hospital. What they do not ask themselves is whether there are bricks mortar, manpower, machinery. It is still the powerful dollar which is controlling the world as it has been doing for the last 100 years.

Today, it is still the same old story: the two old parties are passing the buck to one another. In my view they are acting in the same way. As a matter of fact, I myself have lived with the Progressive Conservative party and with the Liberal party, and the more things change, the more they stay the same. Today the party in power is—

Mr. Roy (Laval): Mr. Speaker, on a point of order.

Mr. Speaker: Order, please. The hon. member rises on a point of order but I remind him that this is the hon. member's maiden speech and according to the tradition of the house, he should not be interrupted.

Mr. Roy (Laval): My point of order, Mr. Speaker, deals with the definition of old political parties. I think that—

Mr. Speaker: Order, please. The hon. member for Villeneuve.

Mr. Tétrault: Thank you, Mr. Speaker. I shall continue my remarks to try to bring solutions to the problem of unemployment in Canada, and I believe that the only solution, as I said a moment ago, is to tackle our monetary system. It is the source of all injustices in Canada.

The Bank of Canada is serving the whole population and I believe it would be wise on the part of the federal government to consider the advisability of using it to finance our works.

Mr. Speaker: It being 9.45 o'clock p.m., it is my duty, pursuant to section (9) of standing order 58, to interrupt these proceedings and forthwith put every question necessary to dispose of the proceeding concerning the motion now before the house.

• (9:50 p.m.)

[*English*]

The house divided on the amendment (Mr. Lewis) which was negatived on the following division:

Division

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Bell
Benjamin
Brewin
Broadbent
Carter
Coates
Code
Comeau
Crouse
Danforth
Dionne
Downey
Dumont
Fairweather
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Hees
Howard (Skeena)
Howe
Knowles (Norfolk-Haldimand)
Knowles (Winnipeg-North-Centre)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lewis
Lundrigan
MacDonald (Egmont)
MacEwan
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean
MacRae
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Mazankowski
Monteith
Moore (Wetaskiwin)
Moores (Bonavista-Trinity-Conception)
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Noble
Nowlan
Nystrom
Paproski
Peters
Ritchie
Rodrigue
Rondeau
Rynard
Saltsman
Schreyer
Scott
Skoreyko
Stanfield
Stewart (Marquette)
Tétrault
Valade
Winch
Woolliams—74.

NAYS

Messrs:

Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Boulanger
Breau
Brown
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Crossman
Danson
Davis
Douglas
Dubé
Émard
Forest
Forget
Foster
Francis
Gendron
Gibson
Gillespie
Goyer
Gray
Guay (Saint-Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Lachance
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McIlraith
McNulty
Major
Marceau
Marchand (Langelier)
Mongrain
Morison
Murphy
Noël
Olson
Osler
Ouellet
Pelletier
Penner
Pepin
Perrault
Pilon
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Ryan
Serré
Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
Sulatycky
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)

Division

Wahn Whelan
Weatherhead Whiting—108.

Mr. Speaker: I declare the amendment lost.

Amendment negatived.

• (10:10 p.m.)

Mr. Speaker: Is it agreed that we proceed with the vote on the main motion without a calling of the bells?

Some hon. Members: Agreed.

The house divided on the main motion (Mr. Stanfield) which was negatived on the following division:

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Bell
Benjamin
Brewin
Broadbent
Carter
Coates
Code
Comeau
Crouse
Danforth
Dionne
Downey
Dumont
Fairweather
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Hees
Howe
Knowles (Norfolk-Haldimand)
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lewis
Lundrigan
MacDonald (Egmont)
MacEwan
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean
MacRae
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Mazankowski
Monteith
Moore (Wetaskiwin)
Moores (Bonavista-Trinity-Conception)
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Noble
Nowlan
Nystrom
Paproski
Peters
Ritchie
Rodrigue
Rondeau
Rynard
Saltsman
Schreyer
Scott
Skoreyko
Stanfield
Stewart (Marquette)
Tétrault
Valade
Winch
Woolliams—73.

Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Boulanger
Breau
Brown
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Crossman
Danson
Davis
Douglas
Dubé
Émard
Forest
Forget
Foster
Francis
Gendron
Gibson
Gillespie
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Lachance
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre

NAYS

Messrs:

Legault
Lessard (Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McIlraith
McNulty
Major
Marceau
Marchand (Langelier)
Mongrain
Morison
Munro
Murphy
Noël
Olson
Osler
Ouellet
Pelletier
Penner
Pepin
Perrault
Pilon
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Ryan
Serré
Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
Sulatycky
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Weatherhead
Whelan
Whiting—109.

It being 10.18 p.m. the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, January 31, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

REFERENCE OF REPORTS OF FILM BOARD AND C.B.C. TO STANDING COMMITTEE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, there have been certain discussions among representatives of the parties in respect of the work of the standing committee on Broadcasting, Films and Assistance to the arts. I think it is regarded as being desirable that the committee might have the opportunity to continue its studies before the estimates are brought down and, in particular, to travel to Montreal for the purpose of considering questions affecting the Canadian Broadcasting Corporation and also the National Film Board.

Perhaps if the house is agreeable I could make the following motion:

That the report of the National Film Board of Canada for the fiscal year ended March 31, 1968, tabled on January 27, 1969, and the report of the Canadian Broadcasting Corporation for the fiscal year ended March 31, 1968, tabled on January 30, 1969, be referred to the standing committee on Broadcasting, Films and Assistance to the Arts, and that, for the purpose of its inquiry, the committee be empowered to adjourn from place to place within Canada and the clerk and the necessary supporting staff be authorized to accompany the committee.

Perhaps if the house is agreeable to giving leave in this regard we could make it an order.

Mr. McCleave: Mr. Speaker, it is acceptable.

Motion agreed to.

• (11:10 a.m.)

EXTERNAL AFFAIRS

STATEMENT RESPECTING EXCHANGE OF LETTERS BETWEEN QUEBEC AND FRANCE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have now had an opportunity to examine the letters setting out the arrangements concluded between the governments of Quebec and France on the occasion of the visit of Quebec government representatives to Paris last week. These documents could not of themselves constitute international agreements, and in this connection I have since noted the statements of representatives of the Quebec government that the documents were not intended by Quebec to constitute intergovernmental agreements. We shall be reiterating our position to the French authorities.

[*Translation*]

The Canadian government understands the desire of the government of Quebec to strengthen its ties through cultural, educational and scientific exhanges with France as contemplated by the 1965 cultural agreement between Canada and France. This is a desire which the Canadian government fully shares and in the fulfilment of which it is more than willing to co-operate.

[*English*]

Two of the exchanges contemplate activities extending beyond the framework of the cultural agreement, notably in the fields of foreign investments and international telecommunications by satellite. Certain of the programs envisaged by these arrangements will require consultation with and the cooperation of the Canadian government. These matters should have been the subject of prior consultation with the Canadian government. We intend to pursue this point with the French authorities.

With regard to French investments, the Canadian government naturally welcomes the prospect of further increases in foreign investments in Quebec as in other parts of Canada within the framework of government policy on this question. Such investments could provide a significant contribution to the development of our expanding economy. I would not have thought, however, that arrangements of this kind would require to be embodied in an exchange of letters, as evidenced by what happened in the United Kingdom during the same trip. I assume that the two governments simply wished to underline the importance which they attach to co-operation in this area.

Quebec and France Exchange of Letters

The French and Quebec authorities also contemplate co-operation in the use of the Franco-German Symphonie experimental satellite and envisage studies relating to a possible France-Quebec communications satellite.

In this connection I should reiterate that the Canadian government has adopted, in the matter of space communications, a very active policy consistent with its exclusive responsibilities for telecommunications and with the interests of the country including those of Quebec and of French Canadians throughout the land. I might mention, as is well known to members of this house, that a third Canadian satellite was put into orbit just a few days ago.

We have established ourselves as pioneers in space research and have had exchanges for years with a number of leading countries in this field, France included. As a matter of fact three French engineers have come to Canada for training. As for the Symphonie program, we have long since indicated to the governments involved Canada's willingness to consider the extent to which Canadian co-operation might prove beneficial to all concerned. What is required in my view is a willingness to approach in a generally co-operative spirit the various projects contemplated in this field where the Canadian government has an essential role to play. This will guarantee maximum effectiveness in achieving the common objectives of the government's concerned and, I may add, maximum economy which I am sure appeals to the government of Quebec just as much as it appeals to the Government of Canada.

In this instance it seems to me that as the participation of the federal government will be required in any satellite scheme and therefore consultations will of necessity be involved, it would have been preferable for the Quebec government to be willing to take into its confidence the government of the country and to disclose its intentions before making them known and including them in letters of intent to the government of another country. This is all the more true since the plans concerning the visit to Paris and the satellite arrangements were apparently approved by the Quebec government months ago.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I received the text of the minister's remarks just as I entered the house. They concern a subject of some complexity and consequently my remarks may not be quite as profound as they usually are on a subject of this sort. But there are one or two points I would like to make in a constructive manner, and not so as to contribute in any way to an escalation or a deepening of the difficulties that already exist. Certainly I want to make the point beyond any doubt that whatever happens the essential authority of the government of Canada in connection with foreign policy and diplomatic relations must be preserved. But there has obviously been a dispute for some time between the government of Quebec and the Government of Canada as to the circumstances and the degree to which it is proper for a provincial government to have dealings abroad. There are some real doubts in this field, some of which cannot be satisfied. As I understand it, for example, it is not possible today for the government of Canada to sign an international agreement which involves a provincial legislature to carry out such an agreement. I do not think we can regard such a gap as entirely satisfactory in a country such as ours.

• (11:20 a.m.)

I think there is also a genuine question as to how we really achieve representation abroad in a field entirely within the provincial jurisdiction and how we really establish a delegation that can represent Canada in this area. I do not ask these questions to be controversial but simply for the purpose of stressing the importance of these matters being seriously and urgently discussed. I hope that the federal-provincial conference in February will discuss these matters between the Government of Canada and all the provinces, not simply in the form of a confrontation but with a view to de-escalating the dispute that has been taking place, and to try to reach a firm and satisfactory understanding in these areas under dispute.

It would be difficult to exaggerate the importance of this matter being resolved. I do not for a moment minimize the difficulty about reaching a complete solution, or expect a complete solution to be reached in the course of one federal-provincial conference, but I do stress the hope that this subject will be on the agenda and that any discussions which take place at the federal-provincial conference will be seriously followed up. We do want genuine co-operation; we do want to eliminate all possible areas of dispute between the federal government and the provinces; we do want to eliminate any grey areas which may exist and which may lead to further disputes.

It may not be necessary, but I should like to urge upon members of the government the importance, first of all, of trying to settle these matters in discussion with the provinces generally, the importance of trying to reach a satisfactory settlement, and of course the importance of recognizing that the spirit of co-operation must work both ways if it is to be effective.

I am confident that the members of this government will in fact try to work out this problem in a co-operative way, but I draw attention to the urgency of working it out in advance, so that it does not recur time and time again in the form of disputes over specific questions which have the effect of generating heat and making an ultimate solution more difficult as time goes on.

Mr. David Lewis (York South): I cannot but note, and note with approval, the careful language and the mildness of the reproof to the two governments involved, contained in the statement made by the Secretary of State for External Affairs, particularly to the government of the great and friendly nation of France. Perhaps, since I am not a member of the government, I can say as one Canadian that I am beginning to be rather irritated by the way in which the mischievous old man in Paris seeks to add to our difficulties in Canada.

Some hon. Members: Hear, hear.

Mr. Lewis: I wish to join with the Leader of the Opposition in emphasizing, if emphasis is necessary, that the entire question of international relations in respect of areas which are under provincial jurisdiction does require continuing study with the provinces, and a solution which is of a general nature so as to avoid these confrontations from time to time. I have always felt unhappy as a Canadian that there should be many conventions and the like to which Canada has subscribed at various international organizations, but has been unable to ratify or implement because of the nature of jurisdiction inside this country.

May I say that I was a little surprised that the Secretary of State for External Affairs seemed to feel there was something undesirable about the letters exchanged in connection with investments. There is nothing new about provinces seeking foreign investment. Many of the provinces of Canada have been doing this over a long period of time.

We do agree entirely that in an area of exclusive federal jurisdiction like telecommunications, it is important for the government of Canada to remain and to be firm, to insist that in that field the government of Canada must be consulted, that it must have the initiative and must continue to have exclusive jurisdiction, even though in practice part of the exercise of that jurisdiction may be delegated to the provinces within their own exclusive field.

Therefore we approve both of the firmness which is implied in the statement, and the necessarily careful language in which that firmness was expressed.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the minister stated yesterday, I think, in answer to a question, that he was studying the correspondence between Quebec and France regarding their latest arrangements and today he made a statement to the effect that he has studied those agreements.

Hon. members have not had, like him the good fortune to study the correspondence exchanged by the governments of Quebec and France, but I think that, reading the statement made this morning by the minister, one cannot help but feel that we are a little sensitive when Quebec has dealings with France.

The minister recognized that the signing of those agreements between the governments of Canada and France dates back to 1965 and that the latest arrangements made between the French government and the government of Quebec are meant only to continue those agreements.

It seems that two criticisms are implied in the minister's statement. When France plans to invest more in Quebec, we think it is normal and when it means that Quebec will get into debt, even if the investments come from France, we think that it is logical and that the government of Quebec has not gone too far.

However, when the French government signs letters of intent with the government of Quebec, regarding education, we become a bit nervous. I feel that we get nervous a little too easily, as the next federal-provincial conference will have to settle the question of telecommunications which comes within the jurisdiction of the federal government, and the question of education which comes within the exclusive competence of the provinces. If today the minister seems to say that the government of Quebec should have put more trust in the government of the country, I

think that cuts both ways because the federal government has been interfering in fields of provincial jurisdiction long before today. I will quote one example only which comes to my mind this morning, since we have very little time.

It is about the adult education program set up by the Department of Manpower, and under which those who are in charge of courses in the various provinces have to follow the instructions of the federal government. The Quebec government and other provincial governments have suffered, in several circumstances, from the fact that the central government had interfered in fields outside its jurisdiction, and had taken unfair advantage of its rights as the central authority, because it was the first to do something. In my opinion, the Quebec government is getting nervous, and it was anxious to make the first move to make sure that education by satellite would at least be carried out between France and Quebec.

Now, nothing prevents the federal government from putting into effect any technological progress in the field of satellite communications, since it concerns telecommunications. If, on the one hand, the federal government deems advisable to take an interest in that field because it feels that it can afford it, and if, on the other hand, it doubts, as the Prime Minister said in the house a few days ago, whether Quebec is still financially in a position to meet the cost of the Quebec-French satellite, then it should take action because, in my opinion, Quebec has been one of the provinces in Confederation that has paid its share and has not been among the least taxed.

Today, one is amazed that Quebec is still in good shape financially, which, in my view is insulting for the French Canadians and the Quebec population. The Quebec government went rather far—let us admit it—on a matter which has not been settled yet. We are speaking of satellites, a field which falls within the jurisdiction of the federal government, and of education, which falls within the jurisdiction of the provinces.

Provinces are given responsibilities with regard to roads, education and in many other fields, but the federal government holds the purse strings. In fact, it has the power to tax and to control money whilst administrative responsibilities in several fields fall on the provinces. That is when conflicts arise, not only in the field of satellites, education or telecommunications, but as far as financial matters are concerned. The provinces have responsibilities, but the power to fulfill such responsibilities remain in the hands of the federal government.

I therefore hope that at the close of the federal-provincial conference which is to take place within a few days, we shall get something more than a press release stating: We have found out that problems exist in Canada, but we are expecting to come out with a solution at the next federal-provincial conference.

• (11:30 a.m.)

[*English*]

ORAL QUESTIONS

EXPO '67

USE OF SITE TO HOUSE INTERNATIONAL DEVELOPMENT CENTRE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether his government intends to implement a suggestion made by the former prime minister, Mr. Pearson, that the site of Expo '67 should be used to house a centre of international development? Also, has any progress been made in implementing a decision announced in the Speech from the Throne opening this session regarding an international development centre in Canada?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, to answer the first part of the question, we learned only yesterday that Montreal would not continue with Man and His World. It is too early for us to know what should be done with this area. To answer the second part of the question, the Centre for International Development has been the subject of a great deal of study by the Department of External Affairs, and especially by the Canadian International Development Agency. When we present our white paper on external policy I think we will be in a position to suggest what we wish to do with the Centre for International Development.

Mr. Stanfield: A supplementary question, Mr. Speaker. I realize the Prime Minister has not had too much time overnight to consider the matter, but is the government prepared to consider seriously the suggestion of Mr. Pearson about the use of the site of Expo '67? Is the government prepared to look into this matter seriously at this time?

Mr. Trudeau: Mr. Speaker, I can only repeat that overnight I have not had a chance

to give any consideration to this question. The land itself, except for a very small portion of it which is federal property, belongs to the city of Montreal. We cannot make any suggestions now about what we want to do with this city of Montreal land. If the city is prepared to dispose of it in some way, then we will consider the matter.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, since the question of Expo is brought up again, this morning I should like to put a supplementary question to the Prime Minister.

Does he think that Quebec is in a good enough financial condition to take over the operations of Expo 67?

Mr. Speaker: Order. I doubt that the question as asked is in order.

[*English*]

Hon. J. A. MacLean (Malpeque): A supplementary question, Mr. Speaker. Does the Prime Minister not agree that the grinding to a halt, under a long series of deficits, of Man and His World reflects accurately man and his world as exemplified by Canada at the present time, and the way we are living in Canada?

Mr. Benson: We are not finished by any means.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

When a problem occurred in Nova Scotia about the coal industry, the federal government invested $30 million to assist 4,000 laid off employees. The federal government—

Mr. Speaker: Order. The hon. member must ask a question and not deliver a speech.

Mr. Fortin: Since the federal government, as I said a while ago, had then decided to take an emergency measure—

Mr. Speaker: Order. I must remind the hon. member that he must ask a question and not make a speech.

Mr. Fortin: Agreed, Mr. Speaker. Could the Prime Minister not take a similar attitude about "Man and His World" at the present time?

Mr. Trudeau: I fail to understand Mr. Speaker, how I can take a similar attitude about "Man and His World". The question does not make sense.

Mr. Fortin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order. The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, my question may not make sense, but it is very simple.

In the past, in cases of major problems, the federal government has helped by way of direct financial assistance and I wonder whether such an intervention would be possible for "Man and His World", and if the government will do something as it did before in Nova Scotia for the coal industry?

Mr. Speaker: Order. The hon. member does not raise a point of order, he repeats the same question. Perhaps the Prime Minister wishes to answer.

Mr. Trudeau: Mr. Speaker, the hon. member refers to an intervention from the federal government; I presume he believes that the government should offer a subsidy. I would like to remind hon. members what they already know, that the federal government has made a substantial contribution for the success of Expo. In fact, I think the share of the Canadian people in Expo reached over $140 million. If we were to renew those contributions, the hon. member would have to agree that we spend less money in his riding, in the Gaspé region, that we cut expenses for the international airport, etc.

We do not print money no matter what the hon. member thinks, and the point is to know whether the continuation of Expo has priority over all other government policies. If the hon. member suggests that we should stop a present undertaking in the province of Quebec, in order to help Expo, we shall think about it.

Mr. Fortin: Mr. Speaker, I have a supplementary question.

I should like to ask the Minister of Labour or his parliamentary secretary if the federal government intends to take special steps to assist the employees to be laid off due to the closing of "Man and His World"? That is a federal matter and the government will have to print money to extricate itself.

Inquiries of the Ministry

[*English*]

INDIAN AFFAIRS

PLANS TO DEAL WITH HOUSING FOR NATIVE PEOPLES

Mr. David Lewis (York South): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development. Since there is growing and disturbing evidence of very difficult housing conditions among our native Indian peoples, will the minister tell the house whether his department is giving particular and urgent attention to this problem and whether concrete plans for dealing with it are being developed?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, there has been for several years a program for the construction of houses for the Indians of Canada. Under this program, in force for the last three and a half years, 5,500 new houses have been built and we expect to complete it during the next three years. The government's purpose is to give decent housing to each family within this period of time. The program, which was to be for five years, was extended to seven years.

[*English*]

Mr. Lewis: A supplementary question. In view of the fact, Mr. Speaker, that the program has obviously proved inadequate and that some 500 homes cannot possibly deal with it, is the minister and the department considering allocating a much larger amount of money and creating more effective agencies to increase the number of homes for the Indian people?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am fully aware of the situation. I am deeply concerned and we are endeavouring to formulate perhaps more effective policies with a view to ensuring better housing conditions. However, I should like the hon. member to recognize that we have made considerable progress in that field in the last few years.

[*English*]

Mr. Lewis: Another supplementary question. This is directed to the Minister of Transport in his capacity as the minister in charge of housing. May I say, Mr. Speaker, I do not quite agree he has made much progress, even though he did make some. In the report which the minister tabled the other day he recognized that the native people who do not come under the department of Indian affairs are suffering from shameful housing conditions. In view of the not very concrete recommendation in the report—and I have other adjectives which are not in order—

Mr. Speaker: I would ask the hon. member to ask his question.

Mr. Lewis: I am coming to the question. I would like to ask the minister whether he is considering allocating more adequate funds for the building of homes for the native people of this country?

Hon. Paul Hellyer (Minister of Transport): There are two pilot projects under way at the present time, which are being pursued with dispatch. I think we have to engage in projects in these areas because there was inadequate research to really know exactly what should be done. I think it is a good idea to carry out these projects, and then to evaluate them, before going into a program of master building in these areas. As was recommended, this should be a continuous process; but I do think there is so much to be learned in these areas one should be very careful to make sure each program is evaluated before making it the basis for a wide program.

Mr. Lewis: We need homes.

NATIONAL DEFENCE

PRESS REPORT CONCERNING DELAY IN ARMED SERVICES PENSIONS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I would like to address a question to the Minister of National Defence in order to allay consternation which I am sure is rampant in the armed services this morning, due to a news report in the *Globe and Mail* apparently quoting the Auditor General. This article is to the effect that it is the intention of the government to delay payment of armed services pensions to retired members of the armed services until they reach the age of 60. Since there must be some error in this, would the minister give us the facts?

Hon. Leo Cadieux (Minister of National Defence): Mr. Speaker, the article could not be more inaccurate, I am sorry to say. With regard to pensions, there is no change planned in respect of servicemen retiring after 20 or more years service or reaching

retirement age, according to their rank. What we are planning to do is give an additional option to serving members who retire after 20 years service. The only choice they now have is the return of contributions. We want to give them the option of a deferred annuity at the age of 60, which is a far cry from what the article states.

Mr. MacLean: The minister stated this option was open to personnel who have served 20 years or more. Did he not mean personnel who have served for 10 years or less?

Mr. Cadieux (Labelle): I thought I said 10 years; in any event I mean between 10 and 20 years.

Mr. MacLean: Yes.

Mr. Cadieux (Labelle): I think I should also state that at the present time the only choice for personnel retiring voluntarily is the return of contributions. This new option allows for a deferred annuity, if this is preferred. It must be pointed out, Mr. Speaker, that this would have to be in the form of legislation introduced in the house, and is now under government study.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister if progress is being made in connection with his stated hope that by spring something would be done to increase the pensions of those already retired?

Mr. Cadieux (Labelle): Progress is being made, I am sure, by the Department of Finance, which is co-ordinating our efforts.

Mr. Stanfield: Very little.

Mr. Knowles (Winnipeg North Centre): Can the Minister or Finance make a statement on the progress being made by him in connection with the pensions of all our federal superannuates?

An hon. Member: Come on Scrooge!

Hon. W. J. Benson (Minister of Finance): Mr. Speaker, we are still examining the problem.

[*Translation*]

FINANCE

POSSIBILITY OF HAVING MR. TOWERS BEFORE STANDING COMMITTEE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the Minister of Finance (Mr. Benson).

Inquiries of the Ministry

In view of the fact that Mr. Graham Towers, the first governor of the Bank of Canada, said yesterday that the federal budget is clearly out of control, does the Minister of Finance intend to call Mr. Towers before the committee on finance, trade and economic affairs to find out what his grounds are?

Mr. Speaker: The member is obviously alluding to the proceedings of a committee and I doubt that the question can be put to the minister himself in those terms.

AIRPORT

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Marcel Roy (Laval): Mr. Speaker, I should like to put a question to the Minister of Transport.

Does he intend to announce soon what site has been chosen for the new international airport?

Mr. Speaker: I suggest that this question, almost word for word, has been put several times in the last few days.

[*English*]

EXTERNAL AFFAIRS

IRAQ—REACTION TO CANADIAN GOVERNMENT REPRESENTATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, is the Secretary of State for External Affairs now in a position to inform the house and the country of the reaction of the government of Iraq to the representations made by the Canadian government in connection with the slaughter of a number of persons during the last week?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, I am not yet in that position. I have not yet received a report.

Mr. Diefenbaker: Mr. Speaker, I would ask the minister, in view of the seriousness of the situation, does he not think that communication should be a little faster at a time like this? Is it not about time to make an announcement on the part of the government?

Mr. Speaker: Order, please.

Mr. Diefenbaker: He's going too slow for me.

Inquiries of the Ministry

SHIPBUILDING

CANADIAN VICKERS—DISCUSSIONS RESPECTING LAY-OFFS

Mr. W. B. Nesbitt (Oxford): A question to the Minister of Industry, Trade and Commerce. Is the minister in a position to give a report to the house on the progress of discussions reportedly going on between Canadian Vickers and the Government concerning 800 lay-offs in the shipbuilding industry?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): We had a meeting yesterday with the Shipbuilding Association, of which Canadian Vickers is a member, and reviewed the situation of shipbuilding in Canada. Two things were decided: First, that the government would recognize the importance of shipbuilding in Canada, and we do; second, that a committee of industry and government would be formed to study the situation as it now exists and will be in the next year or so. We agreed and the committee will make recommendations to the government.

Mr. Thomas M. Bell (Saint John-Lancaster): May I ask if the Minister of Transport attended this meeting? If so, did he put forward the case for the merchant marine as forcibly as did the government during the last election compaign?

Mr. Speaker: Order, please.

[*Translation*]

[*Later:*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I find that I did not give an adequate answer to a question asked earlier by the hon. member for Oxford (Mr. Nesbitt). I gave a general answer without mentioning the *Vickers* in particular.

I should like here to refer the hon. member to a statement made yesterday by the president of Vickers—it was published in *Le Devoir* on January 30—to the effect that he recognizes the difficulties the shipbuilding industry is going through. He says however that the maintenance and repairs side of it is doing very well and that 50 per cent of his company's business comes from its industrial branch, which gets help from the federal government.

[Mr. Diefenbaker.]

[*English*]

HOUSING

PROVISIONS TO ASSIST LOW INCOME CANADIANS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Transport in his capacity as the minister responsible for housing. In view of the opinion stated today by the Canadian Welfare Council that proposals of the task force on housing contain no proposals to help poorly housed Canadians—

Mr. Speaker: Order. The hon. member should ask the question directly.

Mrs. MacInnis (Vancouver-Kingsway): I am ready. Could the minister say what proposals if any he has in mind to help the one million Canadians with incomes under $5,500?

Mr. Speaker: The question as asked by the hon. member is very wide in scope. I would think she is asking the minister for a statement on policy which should not be made at this time.

POWER

NELSON RIVER, MAN.—ALLEGED HARMFUL EFFECTS OF DEVELOPMENT

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Transport. Has the federal government been given an opportunity to evaluate a so-called secret report submitted to the government of Manitoba concerning power development on the Nelson River which report reputedly claims that present plans may be harmful to at least four viable communities including the port of Churchill—

Mr. Speaker: Order, please. The hon. member should ask his question. He should not make an argument.

Mr. Osler: Has the minister had an opportunity to see this so-called report and evaluate its harmful effect on at least four communities?

Hon. Paul Hellyer (Minister of Transport): It has not been brought to my attention, if it exists, but I would be glad to make inquiries.

GRAIN

VANCOUVER, B.C.—MOVEMENT TO LOAD SHIPS IN PORT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question

of the Minister of Industry, Trade and Commerce in reference to grain. I wonder at this time whether he can assure the House of Commons and the country whether there is now sufficient No. 2 northern grain being moved to Vancouver to load the ships which have been lying idle for so long.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): That is the purpose of the operation that is taking place now, but I will have occasion in the next three or four days to see for myself. I will make a more specific answer when I return.

Mr. Woolliams: I wonder whether, when the minister makes the trip and the investigation, he will assure the house that we have not lost any of our markets, particularly the Japanese market.

FISHERIES

B.C. SALMON—ACTION TO RESTORE STABILITY TO INDUSTRY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct this question to the Minister of Fisheries. In view of the crisis in the British Columbia salmon fishing industry and the imminent closure of coastal salmon packing operations affecting the livelihood of over 600 workers will the minister say what action is planned by the government to restore some stability to the industry in which two pioneer firms have been driven out of business?

Mr. Speaker: The hon. member is asking the question in a very general way. He is asking the minister to make a statement of policy. I doubt whether the question as asked is in order.

Mr. Crouse: I would like to ask what action the government is taking in this regard.

Hon. Jack Davis (Minister of Fisheries): I should like to make clear that the salmon fishing industry on the west coast, over all, is in good shape. However, some areas are in difficulties. We have been holding discussions recently with the Indian people who live in those areas.

Mr. Crouse: Mr. Speaker, I have a supplementary question which I should like to direct to the Minister of Indian Affairs and Northern Development. Arising from the meetings held in Terrace, British Columbia, by the minister, and the representations made to him by Indian workers affected by the lay-offs at the packing plant, and by the 3,000 people in those families, will the minister say whether he is making any recommendations to the government to accelerate its economic development program for Indians in that area.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, on my return from Terrace I immediately got in touch with the Minister of Fisheries. We discussed that problem and we are trying to find a solution for those 300 Indians who may suffer from the after-effects of automation. We are also considering schemes that would enable us to promote other economic activities in the area.

[*English*]

RESEARCH

AVAILABILITY OF REVIEW OF GOVERNMENT PROGRAM

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the fact that a nuclear physicist from the University of Toronto suggested last weekend that scientific research in this country is in a very unfortunate state, I wonder whether the Minister without Portfolio—

Mr. Speaker: Order, please. It seems to me that hon. members are getting into the rather bad habit of prefacing their questions by allusion to statements made outside the house. I would think this is not good practice. The hon. member should ask the question directly.

Mr. Broadbent: I will do so, Mr. Speaker. Will the Minister without Portfolio from Saskatoon-Humboldt inform the house when he anticipates his review of government scientific research programs will be complete.

Hon. Otto E. Lang (Minister without Portfolio): I have a little difficulty understanding which review the hon. member is referring to.

Mr. Broadbent: I was not aware that the minister was conducting more than one review on scientific policy. If so would he tell us which review he intends to report on first.

Mr. Speaker: Order, please.

DOMINION-PROVINCIAL CONFERENCE

AVAILABILITY OF POSITION PAPERS AND AGENDA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask

the right hon. Prime Minister a question relating to the forthcoming federal-provincial conference. Is he prepared to release to the house and to the country generally the federal position papers, so that the members of the house and the country will be more fully informed and be able to follow the discussions. Also is the Prime Minister in a position to release the agenda for the conference?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker. In answer to the leader of the New Democratic party, earlier, I believe I indicated some dates we were proposing. These dates have been accepted by the general consensus of the provinces. The result will be that on Monday next the secretariat will release its report of the committee of officials, and also the agenda, whereas most of the provinces will be releasing on the following Thursday, next Thursday, their position papers on various propositions they will submit at the constitutional conference. One or two provinces may not observe this particular deadline, but that is the one that has been reached in agreement with most of the provinces—next Thursday.

EXTERNAL AID

EXPEDITIOUS DISTRIBUTION OF ASSISTANCE TO DEVELOPING COUNTRIES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Secretary of State for External Affairs. Will the minister explain the lag reported by the O.E.C.D. between preliminary appropriation of external aid and the actual distribution of the aid to developing countries, and will he reassure us that measures will be taken to ensure that Canadian assistance approved by this parliament for developing countries reaches them more expeditiously.

Hon. Mitchell Sharp (Secretary of State for External Affairs): I would have thought that would be an excellent question to discuss on the estimates of the department. We will certainly be ready at that time. It is the object of the government to try to reduce this lag which has arisen for reasons, some of them very important reasons, and to ensure that our program is carried out well and quickly.

Mr. Fairweather: In the light of the report by the O.E.C.D. that private Canadian contributions to international development have slackened, has the government any plan to encourage greater involvement by the private sector in international development projects.

Mr. Sharp: Yes, Mr. Speaker.

[Mr. Stanfield.]

STUDENT LOANS

CURTAILMENT OF GRANTS TO FOREIGN STUDENTS ENGAGED IN DISORDERLY ACTS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, yesterday I posed a question to the Secretary of State for External Affairs concerning foreign students who are here under our aid programs. I am wondering whether the minister is now in a position to answer the question. Apparently it took him a bit by surprise.

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am still caught by surprise, Mr. Speaker. I did not intend to be here today.

RURAL DEVELOPMENT

NOVA SCOTIA—ARDA REPORT RESPECTING NORTHERN COUNTIES

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, I should like to ask the parliamentary secretary to the minister for rural development whether he has an answer regarding the ARDA task force report.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Yes, Mr. Speaker. The report to which my hon. friend refers I think is in respect of a joint study for the federal government and the province of Nova Scotia. There must be concurrence on the part of the province in respect of making the report public. It is the joint opinion of the federal government and the government of Nova Scotia that publication would be premature.

The main finding of the report is that progress for these counties will depend on developments in the rest of the Atlantic region, and therefore there is more research for us to do jointly with the province, before development plans can be prepared.

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the importance of this report I wonder whether the parliamentary secretary might confer with the minister and consider publication of those parts of the report which might be helpful to the over-all program of regional development?

Mr. Honey: Mr. Speaker, I will be glad to confer with the minister. The hon. member will understand, of course, that we would have to obtain concurrence from the government of Nova Scotia, but I will take this up with the minister.

HIGHWAY SAFETY

HAZARDS CREATED BY THROWAWAY CONTAINERS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I had a question for the Minister of Consumer and Corporate Affairs but in his absence I will direct it to his parliamentary secretary. In view of the minister's concern about the dangerous hazards created by throwaway containers strewn about our highways and beaches, will he inform the house whether there have been any further negotiations on this matter between his department and the provinces?

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I will bring the hon. member's representation to the minister's attention.

HOUSING

COMPLAINTS RESPECTING PROPOSALS OF ONTARIO HOUSING CORPORATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Transport. May I first thank the hon. gentleman, as I meant to do on Wednesday, for his courtesy in providing opposition spokesmen with copies of his task force report. Has the minister studied the complaints of Mr. Suters of the Ontario Housing Corporation that some of its proposals have gone through C.M.H.C. to the Privy Council office and disappeared there, and what is being done to correct or explain this situation?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, there has been no official word in respect of this matter. If my hon. friend is referring to a newspaper article, I can only say that there are, of course, some projects in the pipe line which are being studied. In the normal course, their disposition will depend on any policy decisions which may be taken in the meantime.

POSSIBILITY OF REFERRING TASK FORCE REPORT TO COMMITTEE

Mr. John Gilbert (Broadview): Mr. Speaker, I should like to direct my question to the Minister of Transport and part time minister of housing. Is it the intention of the minister to refer the report of the task force on housing to the appropriate standing committee of the house in order that it may examine the outrageous recommendations in respect of housing and regional development?

Mr. Speaker: Order, please.

TRADE

POTATOES—COMMISSION TO SEEK EXPANDED MARKET

Mr. David MacDonald (Egmont): Mr. Speaker, I wonder whether I might put a question to the Minister of Industry, Trade and Commerce which I asked last Friday but which seems to have resulted in some confusion in *Hansard*? It relates to the possibility of the minister's department establishing at the earliest possible date a trade mission for the purpose of seeking to expand the seed potato market, which is of vital importance in view of the very depressed market at the present time in the Atlantic region.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, there has been no such request for a mission at this time, but there is provision in the department's promotional programs for an incoming trade mission on seed potatoes to take place this year. We also have plans to undertake additional trade missions to promote this commodity. I might mention that the total export movement of all potatoes thus far this season shows some improvement over the same period last year, and I have here statistics to demonstrate that.

Mr. MacDonald (Egmont): At what price?

SALES OF HAIR SEAL SKINS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, may I also answer quickly a question asked by the hon. member for St. John's West having to do with sales of hair seal skins. They have improved markedly in the past few months. Reports from the most recent auction sale indicate that prices have advanced 20 per cent since September, 1968, and that demand is strong.

FISHERIES

SEALS—REQUEST THAT OPENING DATE BE SET AHEAD

Mr. Walter C. Carter (St. John's West): Mr. Speaker, on January 24 I directed a question to the Minister of Defence Production in the absence of the Minister of Fisheries. My question related to the opening date of the seal harvest in the gulf of St. Lawrence. Is the Minister of Fisheries prepared to make a statement as to the possibility of pushing that date ahead?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, current plans are for the Harp seal hunting season to open on March 7 this

year in the gulf of St. Lawrence and on March 12 on the Atlantic front. Further details as to quotas, hunting practices and so on will be announced at an early date.

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, I have a question for the right hon. Prime Minister. I wonder whether the right hon. gentleman would now stop beating around the bush and give us a—

Mr. Speaker: Order, please.

Mr. McQuaid: —clear and unequivocal answer—

Mr. Speaker: Order, please.

INDIAN AFFAIRS

BUFFALO NARROWS, SASK.—ACTS OF VIOLENCE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in light of the alarming reports of repeated acts of violence affecting Indian and Métis people in the region of Buffalo Narrows, Saskatchewan, will the Minister of Indian Affairs and Northern Development report to the house on conditions in Buffalo Narrows and indicate any special measures his department intends to take?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not aware of the matter raised by the hon. member. I shall inquire and report to the house next time I am in attendance.

[*English*]

MALNUTRITION IN PRAIRIE PROVINCES RESERVATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I brought an instance to the attention of the minister of Indian affairs this morning and I do not want to repeat it, but I should like to ask whether he will have an immediate survey made of the Indian reservations in northern Saskatchewan, Alberta and Manitoba with a view to ascertaining whether by reason of the long, cold winter many of the people on these reserves are suffering from malnutrition and have insufficient to eat?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the right hon. member for Prince Albert for telephoning me this morning. I immediately contacted my deputy minister and asked him to investigate the matter. This is very bad news and I do hope that it is unfounded.

At any rate, I shall report to the house early next week, and if anything needs to be done, we would take the appropriate measures.

[*English*]

TRANSPORT

ATTENDANCE OF MINISTER AT MARITIMES COMMITTEE SITTINGS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the minister of housing and part time Minister of Transport. Will the minister—

Mr. Speaker: Order, please. I wonder whether questions could be asked in a way which could make it easier for the Chair to accept them.

Mr. Bell: Mr. Speaker, I will ask the well known and favourable Minister of Transport whether he plans to attend any of the transport committee hearings which are to be held in the maritime provinces in the way he attended the meetings of the housing task force?

Hon. Paul Hellyer (Minister of Transport): I had not planned to do so, Mr. Speaker, but now that I know I am welcome I might give some consideration to the idea. I do plan to visit two or three maritime centres during the course of the next couple of months to review some matters of mutual interest to my hon. friend. I do not know whether this will coincide with the trip of the committee. Perhaps I will have to meet my friend down there on some other occasion which will have to be determined.

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the meetings of the transport committee in the Atlantic region I wonder whether the minister has been in contact with his counterpart, the secretary of transport, or officials of the state of Maine, to consider the possibility of a corridor road, in view of various considerations that will be given by the transport committee during its hearings in that region?

Mr. Hellyer: Mr. Speaker, I am afraid anything I might say in respect of a corridor road or other matters concerning the possibility of changes in maritime transportation policy might be considered a leak. This is a project of fascination, Mr. Speaker, and I will be very pleased to look at its possibilities

and discuss it with my hon. friends when we are considering transportation policies some time later in March.

[*Translation*]

EXHIBITIONS

INQUIRY AS TO DISPOSAL OF MAN AND HIS WORLD SITE

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

Can he tell us whether he was speaking on behalf of the government when he stated yesterday that even if the City of Montreal wanted to give Man and his World to the federal government, the latter would not even consider it.

Is that the official policy of the government—

Mr. Speaker: Order.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have never made such a statement.

[*English*]

HOUSING

REMOVAL OF LENDING RATE CEILING

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I should like to ask the Minister of Finance to indicate whether his department has under formal review or has given sympathetic consideration to the proposal that the ceiling on N.H.A. lending rates be completely removed? Could the minister say whether this is under review at the present time by his officials?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this would require a change in the National Housing Act which, if it were to occur, would be proposed by my colleague the minister responsible for housing.

Mr. Schreyer: A supplementary question, Mr. Speaker. I gather from the minister's reply that I should direct it to the Minister of Transport. I ask the Minister of Transport whether systematic consideration is being given at the present time to the proposition that the N.H.A. lending rate ceiling be removed entirely.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this is one of the questions raised by the task force. It is not a new idea, it is one that has been under debate for many years. It is, naturally, one that I will be considering, as the minister responsible for housing, in order to decide whether it should be amongst recommendations that I will make to my cabinet colleagues.

Mr. A. D. Hales (Wellington): A supplementary question to the Minister of Finance. When the ceiling is freed, does the minister expect the rates to be lower?

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

WAYS AND MEANS

MOTION TO AMEND INCOME TAX ACT AND ESTATE TAX ACT

Hon. E. J. Benson (Minister of Finance) moved:

That it is expedient to introduce a measure to amend Part IV of the Income Tax Act and to amend the Estate Tax Act to provide among other things:

1. That on and after October 23, 1968

(a) the deductions and exemptions described in subsections (2) and (3) of section 112 of the Income Tax Act for the purposes of determining the aggregate taxable value of gifts made in a taxation year to be replaced by new deductions and exemptions, and in particular that a taxpayer be entitled to deduct

(i) the value of any gift to his spouse other than a gift by way of a settlement under which any person other than his spouse has, during the lifetime of the spouse a right of any kind whatsoever to receive or use any or all of the property so settled or a beneficial interest in any of the income from such property, and

(ii) the value of the aggregate of gifts (other than gifts made by settling property in a trust other than a trust under which there is only one beneficiary, who is living at the time) made in the year by him to any one individual other than his spouse, to the extent that such value does not exceed $2,000,

(b) the exemption described in paragraph (ba) of subsection (4) of section 112 of the said Act be restricted so that it no longer applies to transfers to a child if the spouse of the taxpayer has at any time taken advantage of the provision,

(c) gifts made by a taxpayer shall include

(i) transfers to a person other than the taxpayer's spouse pursuant to an agreement made in consideration of marriage,

(ii) the exercising of a general power of appointment,

(iii) the act of permitting a debt owed to a taxpayer by a person with whom the taxpayer was not dealing at arm's length, to become unenforceable by virtue of the operation of any law limiting the time for bringing action thereon,

(iv) gifts made by a corporation at the direction of, or with the concurrence of, the taxpayer, and

(v) where the taxpayer is a beneficiary under a trust that has been used by the taxpayers spouse to make an exempt gift or bequest to the taxpayer, payments out of the trust unless such payments are in accordance with the original terms of the trust,

(d) where a person has made a gift that was exempted from tax by virtue of paragraph (b) of subsection (4) of section 112 of the said Act and such gift takes effect prior to the death of that person or the donee obtains the benefit thereof prior to the death of that person, he shall be deemed to have made a gift equal to the full value of the property on the day such gifts takes effect or the donee obtains the benefit thereof, and

(e) the rates of tax on gifts provided in section 113 of the said Act be repealed and that the tax payable by an individual upon the aggregate taxable value of gifts made by him in a taxation year shall be an amount equal to the excess of

(i) the amount determined by applying the rate schedule set out below to his cumulative gift sum for the taxation year

over

(ii) the amount determined by applying the said rate schedule to his cumulative gift sum for the immediately preceding taxation year and for the purpose of this motion an individual's cumulative gift sum

(iii) for the 1968 taxation year, shall be the aggregate taxable value of gifts made by him after October 22, 1968 and before January 1, 1969, and

(iv) for each taxation year after 1968, shall be the amount obtained when the aggregate taxable value of gifts made by him in the year is added to his cumulative gift sum for the immediately preceding taxation year,

and the rate schedule to be applied to an individual's cumulative gift sum shall be

(v) 12% where the sum does not exceed $15,000,

(vi) $1,800 plus 15% of the amount by which the sum exceeds $15,000 if the sum exceeds $15,000 and does not exceed $30,000,

(vii) $4,050 plus 18% of the amount by which the sum exceeds $30,000 if the sum exceeds $30,000 and does not exceed $45,000,

(viii) $6,750 plus 22% of the amount by which the sum exceeds $45,000 if the sum exceeds $45,000 and does not exceed $60,000,

(ix) $10,050 plus 26% of the amount by which the sum exceeds $60,000 if the sum exceeds $60,000 and does not exceed $80,000,

(x) $15,250 plus 30% of the amount by which the sum exceeds $80,000 if the sum exceeds $80,000 and does not exceed $100,000,

(xi) $21,250 plus 36% of the amount by which the sum exceeds $100,000 if the sum exceeds $100,000 and does not exceed $125,000,

(xii) $30,250 plus 45% of the amount by which the sum exceeds $125,000 if the sum exceeds $125,000 and does not exceed $150,000,

(xiii) $41,500 plus 60% of the amount by which the sum exceeds $150,000 if the sum exceeds $150,000 and does not exceed $200,000,

(xiv) $71,500 plus 75% of the amount by which the sum exceeds $200,000 if the sum exceeds $200,000,

and that a taxpayer's liability for gift tax for the taxation year 1968 shall be the aggregate of

(f) an amount in respect of gifts made in the period January 1 to October 22, inclusive, computed in accordance with the present provisions of Part IV of the said Act as though the said period were a complete taxation year, and

(g) an amount in respect of gifts made in the period October 23 to December 31, inclusive, computed in accordance with the provisions of Part IV of the said Act, as amended to give effect to this motion, as though the said period were a complete taxation year except that the value of gifts made to an individual in the period January 1 to October 22, inclusive, shall reduce the exemption described in clause (ii) of subparagraph (a) of this motion with respect to that individual,

and that, for the purposes of Part IV of the said Act, rules similar to certain of the valuation rules now set out in the Estate Tax Act be provided for valuation of property that is the subject-matter of a gift.

2. That with respect to property passing, on the death of a person whose death occurs after October 22, 1968

(a) the deductions that may be made from the aggregate net value of such property for the purpose of computing the aggregate taxable value of such property pursuant to paragraphs (a), (b) and (c) of subsection (1) of section 7 of the Estate Tax Act be replaced by the following deductions:

(i) an amount equal to the value of any property included in computing such aggregate net value that vests indefeasibly in his spouse,

(ii) an amount equal to the value of any property included in computing such aggregate net value that passes to a trustee subject to a trust under which only the spouse of the person has, during the spouse's lifetime, a right of any kind whatsoever to receive or use any of the property so settled or a beneficial interest in any of the income from such property.

(iii) where property included in computing such aggregate net value passes to a trustee subject to a trust under which only the spouse of the person has, during the spouse's lifetime, a right of any kind whatsoever to receive any of the property so settled, and the spouse is to receive payments in ascertained amounts or in amounts limited by an ascertained maximum amount throughout the spouse's lifetime, which amounts are to be paid to the spouse out of the income from such property to the extent of such income, and in priority to the claim of any other person entitled to any interest whatsoever in the income from such property, the lesser of

(A) an amount equal to the value of the property that passes to the trustee subject to the trust, or

(B) the amount determined by regulation to be the capital sum necessary to produce income sufficient to make the payments to the spouse,

(iv) for each child of that person, an amount equal to the lesser of the value of the property included in computing such aggregate net value that passes to the child or $10,000,

(v) for each infirm child of that person who, at the date of death, was wholly dependent upon the person or the spouse of the person, an additional amount equal to the lesser of

(A) the product obtained when 1,000 is multiplied by the number of years in the period commencing with the date of death and ending with the date on which the child will, if ever, become 71 years of age, or

[Mr. Benson.]

(B) the amount by which the value of the property included in computing such aggregate net value that passes to the child exceeds $10,000,

(vi) for each child of that person, other than a child described in clause (v), an additional amount equal to the lesser of

(A) the amount remaining, if any, when the excess of the average income of the child for the three calendar years preceding the year of death over $5,000 is deducted from the product obtained when $1,000 is multiplied by the number of years in the period commencing with the date of death and ending with the date on which the child will, if ever, become 26 years of age, or

(B) the amount by which the value of the property included in computing such aggregate net value that passes to the child exceeds $10,000,

but that where such death occurred before August 1, 1969, there may also be deducted the amount, if any, by which

(vii) the aggregate of the amounts that would have been deductible under the said paragraphs (a), (b) and (c) of section 7 exceeds,

(viii) the aggregate of $20,000 and the sum of the amounts that are deductible under clauses (i) to (vi), inclusive, above,

(b) there shall be included in computing the aggregate net value of property passing on the death of such person

(i) the amount of gift tax paid by the person in respect of property disposed of by him by way of gift after October 22, 1968, which property is included in computing the aggregate net value of property passing on his death,

(ii) an amount equal to the value at the date of death of such person of property held at such time by a trustee subject to a trust described in clause (ii) of subparagraph (a) of this paragraph, under which only such person had any beneficial interest during that person's lifetime,

(iii) an amount equal to the value at the date of death of such person of property held at such time by a trustee subject to a trust if, at the time property was settled in the trust, the settlement was exempt from gift tax by virtue of a provision of the Income Tax Act based upon clause (i) of subparagraph (a) of paragraph 1 of this motion, and

(iv) an amount equal to the lesser of

(A) the value at the time of death of such person of property held at such time by a trustee subject to a trust described in clause (iii) of subparagraph (a) of this paragraph, under which such person was the spouse referred to in that clause, or

(B) the amount that was, by virtue of that clause, deducted in computing the aggregate taxable value of property passing on the death of the former spouse of that person,

(c) subsection (1) of section 8 of the said Act be repealed and that the tax payable upon the aggregate taxable value of the property passing on the death of a person shall be an amount equal to the excess of

(i) the amount determined by applying the rate schedule set out below to his estate sum

over

(ii) the amount determined by applying the rate schedule set out below to his gift sum

and for the purposes of this motion a deceased person's estate sum shall be the aggregate of

(iii) the aggregate taxable value of property passing on his death,

(iv) the amount of his cumulative gift sum for the year in which he died, less the amount included in the computation thereof in respect of property included in the aggregate net value of property passing on his death, and

(v) the amount of gift tax that would be imposed in respect of a cumulative gift sum equal in amount to the net amount referred to in clause (iv),

and a deceased person's gift sum shall be the aggregate of $20,000 plus the amounts referred to in clause (iv) and (v), and the rate schedule to be applied to a deceased person's estate sum or gift sum, as the case may be, shall be

(vi) nil where the sum does not exceed $20,000,

(vii) 15% of the amount by which the sum exceeds $20,000 if the sum exceeds $20,000 and does not exceed $40,000,

(viii) $3,000 plus 18% of the amount by which the sum exceeds $40,000 if the sum exceeds $40,000 and does not exceed $60,000,

(ix) $6,600 plus 21% of the amount by which the sum exceeds $60,000 if the sum exceeds $60,000 and does not exceed $80,000,

(x) $10,800 plus 24% of the amount by which the sum exceeds $80,000 if the sum exceeds $80,000 and does not exceed $100,000,

(xi) $15,600 plus 27% of the amount by which the sum exceeds $100,000 if the sum exceeds $100,000 and does not exceed $130,000,

(xii) $23,700 plus 30% of the amount by which the sum exceeds $130,000 if the sum exceeds $130,000 and does not exceed $160,000,

(xiii) $32,700 plus 35% of the amount by which the sum exceeds $160,000 if the sum exceeds $160,000 and does not exceed $200,000,

(xiv) $46,700 plus 40% of the amount by which the sum exceeds $200,000 if the sum exceeds $200,000 and does not exceed $250,000,

(xv) $66,700 plus 45% of the amount by which the sum exceeds $250,000 if the sum exceeds $250,000 and does not exceed $300,000, and

(xvi) $89,200 plus 50% of the amount by which the sum exceeds $300,000 if the sum exceeds $300,000

(d) an executor or successor may elect to pay all or any part of the tax payable by him in such number (not exceeding six) of equal consecutive annual instalments as is specified by him in his election, on condition of payment by him of interest at such rate as is prescribed by the regulations at the time of the making of the election.

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

Some hon. Members: On division.

Mr. Speaker: Carried, on division.

Motion concurred in.

INCOME TAX ACT AND ESTATE TAX ACT

Hon. E. J. Benson (Minister of Finance) moved that Bill C-165, to amend the Income Tax Act and the Estate Tax Act, be now read the first time and be printed.

Motion agreed to, bill read the first time and ordered to be printed.

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT PROVIDING EMERGENCY PAYMENTS TO MEET DRYING COSTS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce) moved the second reading and reference to a committee of the whole of Bill C-162, to amend the Prairie Grain Advance Payments Act.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, we had before us earlier this year amendments to the cash advance legislation which doubled the amount of the advance available to farmers and which has been made great use of by prairie farmers since it was enacted. To date a total of $127 million has been advanced to farmers, a total of 72,000 producers, under the amendments and the previous act. This is approximately double the amount which was advanced in any previous whole year, the previous record having been in 1960-61 when 76,000 producers received a total of $64 million by way of advance. Hon. members are aware of the difficult harvesting conditions which affected last year's crop and of the importance of drying that part of the crop which was harvested in tough or damp condition.

The existing drying facilities in the terminals will not be able to dry more than a limited amount of the grain involved. As a result, there is a significant burden on the farmers of this region to dry the grain themselves. They are proceeding in this direction, but in some cases a shortage of ready cash and the credit situation in which they find themselves may be impeding the drying operation.

With a view to correcting this situation, this bill would further amend the Prairie Grain Advance Payments Act to provide for emergency cash advances, interest free, for the purpose of drying grain on the farms. The legislation proposed would allow permit holders to apply for a further advance notwithstanding the fact that they had previously obtained an advance, indeed the maximum advance, otherwise allowed under the act. They would be allowed to apply for an advance to a maximum of $600. The security for the advance would be undelivered grain on the farm. The bill provides, therefore, for cash advances, interest free, for the purpose of drying grain or for paying the costs for grain which has recently been dried. There is a significant quantity of grain to be dried, and it is hoped this legislation will permit the prompt movement of that grain to the dryers so that maximum use will be made of the fairly considerable grain-drying equipment which exists in the prairie provinces.

It is our hope that this legislation will pass quickly. The government has been in consultation with the Wheat Board about implementing the legislation as soon as it becomes law. The Wheat Board will be in a position to undertake the necessary administrative steps so that the advances will be available in short order. I therefore urge hon. members to join in the enactment of this legislation to make available to farmers who need this additional cash, interest free, the amount they need in the shortest possible time.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this legislation brings to mind the fact that between 1952 and 1957 Her Majesty's loyal opposition pressed for action to be taken by way of legislation to permit cash advances on farm stored wheat. Successive ministers of trade and commerce and the government as a whole said it could not be done, that it was an impossibility. Within a few days of our taking office we brought in this legislation which has been continued, as have other pieces of legislation passed under my administration although criticized at the time.

This is of interest to the minister because I recall—I say this in the best of good spirit—that a few days after the general election he said that he expected to be minister of justice but he would settle for the ministry of agriculture. This apparently is one step forward in the general direction of the latter portfolio, certainly not the former.

The minister has very carefully refrained from giving the facts of the serious situation in western Canada. The amount of wheat in western Canada still undried is 217 million bushels, of which 108 million bushels are in the province of Saskatchewan. The drying operations have been comparatively small, although not insignificant. The total amount of wheat dried on the farms is estimated to be as follows: in Saskatchewan, 16.9 million bushels; Alberta, 12.9 million bushels; Manitoba, 12.3 million bushels. So far as the

interior government elevators are concerned, they too have been as nonchalant regarding this matter as has been the government. In November the total amount dried in internal elevators was 372,000 bushels; in December, 1,042,000 bushels, and up to January 17, 833,000. What does this mean? It is just further evidence of the fact that this government has no appreciation of the seriousness of the emergency on the prairies.

• (12:20 p.m.)

Recently the minister was in Saskatoon speaking to the annual meeting of the chamber of commerce and he carefully refrained from dealing with this problem but instead gave his views as to the appropriateness and worthwhileness of rule 16A. He said how helpful it was and that if it had been enacted it would have been beneficial to democracy as a whole and to parliamentary government in particular. He stayed away from the problem that the farmers face.

I doubt that this government has any knowledge whatever of the feelings of frustration among the farmers of western Canada. The Minister of Industry, Trade and Commerce (Mr. Pepin) told us today that he is going to the coast to see how things are at the port of export. I wish he would go to Saskatchewan, Manitoba or Alberta and make a couple of speeches there. I am sure he would be received with hospitality and kindness. I am also sure he would be received with the utmost disdain for the attitude of this government in failing to act.

What have we here? We have a measure which in my opinion constitutes a piddling attempt to meet a serious problem. The farmers are going to be allowed to secure advances up to $600 to enable them to dry their wheat. The marketing of wheat is in a serious position because the government will not act and will not appoint a traffic controller even though at this very moment some 7,000 or 8,000 Canadian freight cars which should be in Canada and have the capacity to carry wheat are in the United States. Why is something not done in that direction? Only one quarter of the driers are being used in Saskatchewan because of the fact that the cold weather has made it impossible to utilize the driers that are there. This bill is just a makeshift measure designed to conceal the failure of this government to act.

We see the same thing happening in every field. We had an example today when I asked the Secretary of State for External Affairs (Mr. Sharp) what is being done about Iraq. The answer was that the government has not had any word yet. It is a nonchalant government, a non-active government, a government that produces a just society that is unjust to everybody, and in particular at the moment to the farmers of western Canada.

What will this measure do? It will enable the farmers to borrow some more money without paying interest thereon for the purpose of doing work which the government should be contributing to doing rather than passing the buck to the farmer. The minister stated a moment ago that the responsibility in this matter lies with the farmer. That philosophy may be all right in Ottawa, but I would like the minister to utter remarks of this kind in western Canada. It is something that is totally unjustifiable. There is no use trying to press the government to act.

The Minister of Industry, Trade and Commerce is engaged at the moment in a deep conversation when we are dealing with a problem for which his responsibility is very great and in which his conduct has been apathetic from the beginning. This government will not act, as was apparent when the minister said today that it lies with the farmers to dry their own wheat. If this is how the minister exercises his responsibility, I can only say that the situation for the western farmer is hopeless. The government is saying to him: "We will advance you the money up to the extent of $600 so that you can do the drying", when the fact is that it cannot be done because of climatic conditions and because of the shortage of driers available for the purpose. This is just another example of buck-passing in place of action.

What should the government have done? Why is action not being taken, this being a national emergency more serious than any in the last 35 years in western Canada? Why is assistance not being given? The Wheat Pool and other organizations have asked for a direct grant to the farmer. I noticed that the minister did not deal with that phase at all. The bill calls for the provincial and federal governments to assist the individual farmer with a direct payment of 5 cents per bushel for wheat that is dried up to a maximum of $200 per farmer. There is no excuse for leaving this problem on the shoulders of the western farmer as suggested a few moments ago by the minister as a solution to the problem. Our position in western Canada is a desperate one and calls for action from the government.

The Minister of Industry, Trade and Commerce has a tremendous capacity for affability. He smiles.

Mr. Pepin: That is something.

Mr. Diefenbaker: He smiles attractively. He can take his place anywhere, even in Hollywood, when it comes to his capacity to smile. But what is needed is action.

Now let me point out one other phase in connection with the farm problem today, and it is all part and parcel of the same problem. It has to do with the sale of low grade wheat by farmers to feed mills. Farmers cannot market their wheat but they have to get rid of it. The result is that they are selling their wheat at 80 to 90 cents a bushel. So far as barley is concerned, they are selling it at 40 cents a bushel whereas going prices are $1.80, and No. 3 wheat, to which I made reference a moment ago, is around $1.90. Thirty-six million bushels were sold by farmers directly in 1968. The reason for that is that the farmers have this wheat on hand. They see the spring coming and they have to get rid of it so they take what they can get.

With all the power I can put into my words I ask the government as a major step to provide something in the nature of acreage payments. However, if this is not possible it should carry out the wishes of the western farmers, supported by the wheat pools and the farm organizations, by providing the farmers with at least 5 cents a bushel—some say 10 cents, the actual cost of drying being 10 cents. But I say 5 cents with a maximum amount to a farmer of $200. If the government would do something like this they would get things moving.

• (12:30 p.m.)

This legislation is all right as far as it goes but it does not go very far. It is just another example of the uncertain, nonchalant and lackadaisical way in which the government is approaching one of the most serious problems Canada has ever faced, the like of which the western provinces have never seen before. Even though the minister did not become Minister of Agriculture, a portfolio he was prepared to accept as a last resort if he could not become minister of justice, I should like to see him take a stand now on behalf of the farmers of western Canada. Many of his own constituents are in a desperate position. This legislation, though it should pass, is merely a step. What is required is a direct payment to the farmer to encourage drying operations and compensate him for the loss he has suffered through no fault of his own by reason of climatic conditions.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I say at the outset that the real question confronting us as we discuss this proposal is: does it meet the existing problem? As a member of this house and as a farmer I am bound to consider whether it meets the situation now facing agriculture in western Canada. This legislation apparently embodies what the government is prepared to do, and since the government is advancing it I presume that hon. members opposite consider it sufficient to cope with the situation.

With regard to the amount of grain of all kinds to be dried in western Canada, all we have at present are estimates. There is the flat statement by the chairman of the Canadian Wheat Board, Mr. McNamara, that only a relatively small proportion can be dried in the commercial facilities at the terminals and elsewhere and that the bulk of it will have to be dried on the farms. From the various estimates which have been made I suspect that some 300 million to 350 million bushels of damp grain on the prairies will have to be dried on the farms.

The proposal in this bill is that a loan of 10 cents a bushel up to a certain maximum be made available to farmers to enable them to cope with this problem. One of the main drawbacks is that the money is to be advanced in the form of a loan.

Suppose an area in Canada, as has happened from time to time, were to be afflicted by a disaster of outsize proportions. Surely we would recognize it as such and take measures to give the necessary assistance. I suggest to this house that the grain growing areas of Canada are facing such an emergency today. As the right hon. member for Prince Albert (Mr. Diefenbaker) has just said, it is a disaster without precedent. I have farmed in western Canada all my life and in all my experience I have seen nothing like it. On top of this is the grain delivery situation. What we are telling farmers in this bill is, in effect: you have been able to borrow so much money because you cannot sell your grain; now you can borrow so much more money in order to dry it. But the farmer knows he will not be able to sell his product even after it has been dried, so his obligations will mount. Some may ask why the farmer does not stick his neck out since he cannot lose. Well, he has got it out about as far as he can put it right now.

The biggest shortcoming in the government's present approach is that the farmer is being asked to undertake an additional obligation in extremely adverse circumstances. The physical difficulty of drying this grain is enough in itself for the farmer to contend with. Indeed, I have serious doubts that it will be possible to dry all the grain and put it in condition before it starts to spoil next spring. I mentioned the physical difficulty of getting the grain dried. With the weather on the prairies as it is now it is very hard to get equipment moving to do the job. There will only be a very short period during which an all-out effort will have to be made if losses are to be prevented.

This grain is a valuable asset. We know from experience in Canada that though we may at times have surpluses there are other times when we can dispose of those surpluses. I contend there is urgency here. I try to be honest. I try to be objective. But I do not think the degree of the urgency was realized by the government in time. It may be they are realizing it now—I sincerely hope so—but a great deal of effort was required in order to bring the matter effectively before the house.

I wish to read now a letter which was sent to Mr. McNamara, the chief commissioner of the Canadian Wheat Board, a copy of which was sent to me. This letter is from Eston in west central Saskatchewan where I farm—one of the best wheat growing areas in Western Canada. It was written on behalf of the congregation of St. Andrew's United Church in Eston, Saskatchewan and reads as follows:

• (12:40 p.m.)

The congregation of St. Andrew's United, Eston, Saskatchewan instructed us to write to you in relation to the present crisis in wheat shipment to the west coast. We live in an area which is almost totally dependent on grain sales. This past year has been most difficult on both farmers and business dependent on them.

Our concern is twofold, the desire to sell the wheat which is presently stored in elevators and farm granaries, and to provide the hungry with the sustenance of life, bread. It seems a shame that hungry and starving people should be denied bread when we are glutted with grain. The fact that so many ships are waiting in Vancouver harbour to load grain, which hasn't been delivered to the terminals, adds to the concern.

We realize that there are many factors involved, not the least of which has been the shipment and drying of damp and tough grain. However, it seems that with some insight into prospective wheat sales that there should have been dry grain waiting in the terminals for shipment. It would appear to us that someone was negligent in his duty.

This is the people on the farms speaking.

There are millions of bushels of wheat here on the prairies that could be used to meet the needs of all our wheat customers. We trust you are doing everything possible to see that this wheat is being made available to those who want and need it.

We appreciate your work on behalf of the grain farmers of western Canada. You have a big responsibility, not only to them but to those who need this grain for food. We urge you to use every means at your disposal to meet the needs of both.

We hope that this situation at Vancouver will soon be remedied and not permitted to happen again.

I was interested to learn that the Minister of Industry, Trade and Commerce is going to take a trip west. It is time he did, and while he is there I hope he will talk to people like those who wrote the letter I have just read —responsible people, people who are concerned about this situation. There is an old tradition in Saskatchewan that in times of extreme pressure or disaster the businessmen, the church people and the farmers unite in an attempt to put their situation before those whose responsibility they consider it to be. This is what has happened in this case. This kind of action is not taken lightly. I repeat that this letter was written by people who live in one of the most prosperous areas of Saskatchewan.

The situation there is serious. Unless some effective action is taken the result will be 100-horsepower tractors operating on farms on a subsistence basis. I am shocked when I see figures indicating that our storage capacity on the west coast and at the Lakehead is only half full. Certainly that was the case not more than a week ago. Yet we have ships waiting in Vancouver for grain. I suggest that if we can transport potash across the mountains we can do the same with wheat. Trainloads of potash were crossing the mountains last week, so why can we not move our wheat?

I should like to mention a report made by Mr. Atkinson of the National Farmers Union, who said that the Canadian Wheat Board had instructed grain companies on December 5 to move the equivalent of 15 million bushels of No. 2 wheat to the coast but that only a trickle had arrived at the time he made his report. He went on to say that on the Saturday morning—I do not have the exact date but the date of the release is January 27—there were 53 cars of wheat at the Canadian National Railways yards at Vancouver and a limited number at the C.P.R. yards. He saw

22 ships waiting to load wheat from the prairie. No wonder the people of Eston are writing to the Wheat Board about their situation.

We do not lack—and I am sure the government does not lack—good advice from people in western Canada in regard to this crisis. I have referred to remarks made by the president of the National Farmers Union and also the president of the Saskatchewan Farmers Union, who like myself has operated a farm in that area. I also have before me a statement by Mr. Gibbings, president of the Saskatchewan Wheat Pool, who has also farmed in this same area and knows the needs of the farmers.

According to Mr. Gibbings, depressed prices and sales resulted in reducing shipments by some 200 million bushels during the past year, and this made it necessary for the government—this was a year ago—to institute a floor price. Mr. Gibbings goes on to suggest guaranteed domestic prices for wheat. He also underlines the effect that this industry has upon the Canadian economy. Canadian wheat farmers during the past year bought petroleum products, machinery, fertilizers and pesticides, as well as having repairs made, to a total value of $522 million. If purchases of this magnitude are to continue we must ensure that the farming industry remains viable.

As I said, I hope the Minister of Industry, Trade and Commerce will meet and talk with people such as Mr. Gibbings, Mr. Atkinson and the farmers. During a discussion we had in this house the other day two of the ministers opposite took exception to the attitude of some members on this side who come from western Canada. We were accused of seeking publicity. I am not interested in publicity; I am interested in seeing grain moved. It was also suggested that we were panicking. It takes quite a bit to panic me. Anyone who has farmed on the prairies for as long as I have does not get excited too easily. I have lived in good times and bad and know the difference between utter disaster and good fortune from one year to another. So we do not panic too easily. But the situation to which I refer is serious, and by some means or other the government must be made to realize that it is serious.

• (12:50 p.m.)

Finally, I hope the farmers will avail themselves of the provision of this legislation, even if by so doing they will go deeper into debt. It costs more than 10 cents a bushel to dry grain. From my experience in the drying of grain I have found that it costs between 15 cents and 18 cents a bushel to custom-dry grain. I hope that millions of bushels of valuable grain are not allowed to go out of condition and thus be lost to the people of Canada and the world. For that to happen would be a blot on Canada. Our farmers and the government ought not to allow grain to go out of condition when the expentiture of a little money would prevent that happening.

Some in this country say that the condition of the grain is the farmers' problem. After all, it is his wheat; he grew it and if he sells it he will obtain money for it. He is like any other entrepreneur. Let him carry the load; let him worry about it and let him accept his responsibilities. In answer to such an attitude one can only say that in some circumstances the responsibilities weighing on farmers ought to be borne in part by the general public. In any event I submit that the government would have been fully justified in saying: Look, we will contribute 10 cents per bushel toward the cost of drying but the farmer will have to pick up the rest of the tab. The government ought to assist the farmers because they face a tight economic situation and cash is short. There is no prospect that the present situation will be corrected in the immediate future.

Finally, I urge the government to take every step to make sure that we can supply all our potential markets. We ought to have grain in export positions so that when a customer shows up and wants grain all we have to say: Here is our product on the shelf, it is yours, please give us your money.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I shall be brief, but I want to say a few words on the bill which bears the following recommendation:

> His Excellency the Governor General has recommended to the house the present measure to amend the Prairie Grain Advance Payments Act so as to provide emergency advance payments—

This measure will answer the needs of the western farmers.

Mr. Speaker, we are, of course, in favour of this Bill No. C-162 which offers farmers advance payments for their grain in order to help them save the balance of last year's crop.

We understand all the difficulties that the three Prairie provinces had last year. This makes us pause a little, we of the East, because we notice that misfortune does not always strike in the East. It often happens that the western farmers have also their

problems. It is a good thing to mention it, because most eastern farmers think that all western farmers wallow in money and are all millionaire industrialists. We sympathize with them, because even if we have problems in the East, the western farmers are not free from them either and the best proof is given by the bill that is introduced today.

I shall say incidentally that they enjoy perhaps more advantages than we do in that they have a specific legislation while our eastern farmers have not yet succeeded in getting a similar measure. I congratulate them for the work they have done to make the governments pass laws that are intended to help them when they have difficulties.

As was mentioned by the former Leader of the Opposition (Mr. Diefenbaker), that small amount of $600 is very slim considering the needs of the western farmers. In fact, it is somewhat like the scraps given to the eastern farmers whenever they ask for help.

Mr. Speaker, we have constantly reminded the Minister of Agriculture (Mr. Olson) as well as the other ministers that when he thinks of helping the provinces by granting loans at unreasonable rates of interest such as those we have now, this is of no assistance to the farmers but merely rope to hang themselves with. If the government wishes to help, it should proceed the way it does with other countries. We merely ask that our farmers be treated in the same way as the people from foreign countries, that get funds purely and simply, of $10 million and $100 million at a time, and this is done openly. When we want to help other countries, we make them a gift and not by printing dollars as the Prime Minister (Mr. Trudeau) was saying today. We must put an end to that joke. Credit is used because it is a fact that, at the present time, 92 per cent of the money supply is made up of credit and the government is trying to make fun of us by raising the bogey of dollar printing.

I submit that nowadays people understand more easily the problem of printing paper money than the Prime Minister and several of his ministers because they know that all that is issued by the government is credit. Let us get rid of these gross and childish jokes regarding the printing of paper money.

As the former Leader of the Opposition used to say: if we want to help the western farmers, we should grant them a subsidy and stop compelling them to get deeper into debt. That is how we could really help all the farmers in Canada and not only those from the West.

I was quite astounded a moment ago, when the former Leader of the Opposition said that, last fall, western farmers had sold wheat at 98¢, $1, $1.25 and $1.90 a bushel. We learn something new every day and listening to those western farmers we realize that their problems are very much the same as ours in the fall when we have to sell our potatoes at 55¢ or 60¢ for 50 pounds.

The wheat grower who has made dire sacrifices for every bushel he produces is going to receive $1, $1.10 while we, in the province of Quebec, are going to pay that very same wheat $6.90, $6.95 and $7.25 per 100 pounds. Can you imagine that at the moment, we are paying $10.75 for 100 pounds of flour.

Mr. Speaker, may I call it one o'clock?

[*English*]

Mr. Deputy Speaker: Order, please. The time being one o'clock I do now leave the chair until two p.m.

At one o'clock the house took recess.

[*Translation*]

AFTER RECESS

The house resumed at 2 p.m.

Mr. Gauthier: Mr. Speaker, before recess I was saying that Bill C-162 is an additional proof that the western farmers also have to grapple with certain problems which if they are different at the production level are not entirely so at the need level, because western farmers just as eastern farmers need money.

We always bring up the question of money. The government wishes to help a province and to help farmers, but where will it take the money? This is the first question which the government asks itself.

I want to answer this question today, Mr. Speaker, because it is dinned into our ears that if money is taken from one place to put somewhere else, in short if we want to give money to farmers, we must take it somewhere else. We heard that this morning. If we want to give money to one city for urban development, it will have to come off what is given to the province. I shall only ask the government to be logical, and to take money where they find it in order to give it to foreign countries.

I would like to know where the government found the money, for instance, to give in

1968, $840,341,600 under the Colombo Plan. Commonwealth countries in Africa received $49,631,000. Where did the money come from? The other African States received $19,198,200. Where did the money come from? Besides, the Commonwealth countries received $28,334,000.

I make those remarks in order to tell the government where it can get the money to help the western farmers. It can take it where it did when it made those gifts and I maintain what I said this morning—if it really wants to help the western as well as the eastern farmer.

We must give subsidies to the farmer and stop allowing him to go deep into debt, under the philosophy of credit that exists at the economic level. I say that the farmer, far from getting out of his financial difficulties, is worse off afterwards. We must absolutely, as the previous speakers pointed out, help our farmers as we help foreign countries. We want for the farmer the same treatment that is given to foreign countries. Moreover, if we want to lend to him, we must do it in the same way as we do to foreign countries.

Having granted 60-year interest-free loans of more than $60 million to India and of $46,263,000 to Pakistan, and having also granted loans to more than 40 other countries, free of interest or at rates of ¾ or ½ per cent, I feel that we are rich enough to help Canadians.

When our farmers are living in dire poverty, I wonder why the government sends billions of dollars to foreign countries. However, when we ask for a few millions to help Canadian farmers, we are told that there is not enough money, and the Prime Minister tells us: We are not going to print dollars.

But did we print dollars to grant interest-free loans of over $1 billion? Certainly not. Credit was created through the Bank of Canada and that is all what we want for the Canadian people. Let us stop laughing at the people! Let us stop acting as disguised actors in our rotten system, and let us help the farmers with the same kind of assistance which we extend to foreign countries. We do not ask for more.

Mr. Speaker, I am sure that our farmers will be satisfied with this aid. We are not asking for the impossible, we are not asking to create anything that does not exist, we merely want to use that which is created by the government from nothing—and I repeat created from nothing—new credit for foreign countries. We do a little more for those countries: we borrow at 7½ per cent to lend interest free. I think this is most ridiculous. Some respectable ministers come and tell us seriously in this house that borrowing at 7½ per cent to lend interest free to foreign countries is good business. I just cannot understand a word when I hear people telling us that this is mere common sense.

But when it comes to spend two or three million dollars to assist our farmers, to help our largest industry employing the greatest number of people to get back on its feet, we are turned down. Then we are given childish answers as the one the Prime Minister gave us today when he said: We are going to print dollars. He knows better than I do how the actual monetary system works. He knows very well that money supply is made up of 90 per cent of monetary credit and that banknotes are very secondary. They have the same role as a postage stamp in our monetary system. He knows it very well. Let him stop making fun of the people. People are aware of those things today because they have been kept informed for the last seven or eight years. They know it is a joke.

All we are asking the Minister of Agriculture—as a former Social Credit member, he knows at least how to proceed—is to start making credit available to farmers on the west coast so they will not have to borrow money from finance companies. If he gave them real material and financial help, I think it would be a good start.

This bill will be a first step towards really assisting all the farmers of Canada.

• (2:10 p.m.)

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on this bill I must say that I support the allocation of up to $600 to a farmer under the Prairie Grain Advance Payments Act for the purpose of drying grain. I think this is most important and is long overdue. Unfortunately, however, because of the lateness of the proposal, the ability of the farmers to dry grain harvested in the exceedingly damp and wet fall of 1968 has been seriously compromised. The gravity of the tough and damp grain situation has not been realized by the government. It has been pointed out by many of those in the farming industry that the problem is serious, that there are many millions of bushels of grain that have not been dried and even with the very best of care much of it will spoil resulting in a reduced value on the market. Although there is much talk, and it is true, that a farmer can by a great deal of work dry grain on his farm in the spring when the

temperature rises, it is also true that the quantities involved are now of such magnitude that it is almost physically impossible to cope with the situation.

The statement of an Alberta official of the Department of Agriculture that considerable grain may spoil if not looked after is an indication of the concern of those nearer the problem about having it aired and remedied if possible. The difficulty of grain drying has been compounded by the limited amount of grain that can be dried at inland terminal elevators. There are only 6,000 bushels of wheat now in store at Vancouver, where there is a maximum variety drying capacity of four million bushels a month, and this has seriously compromised the movement of wheat out of the port of Vancouver. Together with the very cold winter, when it is considered that about a week ago there were only one million bushels of No. 2 northern in store at terminals there and that 11 million are needed to take care of the ships already in port and the five or six more vessels expected by February 10 to transport approximately 75,000 tons of No. 2 northern to Japan, the shipping of No. 2 northern, for which the Wheat Board has had good sales, out of Vancouver has been made extremely difficult.

It seems to be a fact that the very large amounts of tough and damp grain in store at Vancouver waiting to be dried for shipment to China have overtaxed the capacity to handle the extra sales that were generated when the Japanese entered the market and took substantial quantities of No. 2 northern for importation. So I welcome this bill as a measure to improve the lot of the farmer in drying his grain. Since much of the grain now in storage on the farms must be dried by the farmer himself, this assistance will be a welcome addition in solving his problem.

The problem of drying the grain is only part of the much larger problem of marketing and the very severe competition which we face in the world. Last week a gloomy view was taken of Canada's position in the world wheat market by the president of the Winnipeg Grain Exchange. He stated that Canada's position is precarious and unlikely to be as good again as it has been in recent years. Two recent articles in a United States grain journal, *The Southwestern Miller,* have been of some interest to Canadian farmers and may be a serious portent of what is in the future. One article noted that there was an underlying current of dissatisfaction in the United States with the operation of the International Grains Agreement. There was doubt about the ability of the United States to compete in dollar markets which had become prevalent or noticeable when the grains agreement had come into effect.

The American Farm Bureau Federation has an influential voice in American agriculture and may have an important voice in the new administration. At its recent annual convention the federation adopted a resolution calling flatly for withdrawal from the International Grains Agreement as part of an effort to expand trade and increase exports. As the grains agreement has been approved by Congress for three years ending June 30, 1971, it is noted that it will probably be extremely difficult to have the new Congress disallow or abrogate the agreement. But even within the agreement the new administration could move toward being a much tougher competitor than at present in the pricing of wheat in the world dollar markets.

The prospects for exports of wheat into eastern Europe or the Soviet Union seem to be rather dim. This area, which at one time was a leading importer, now threatens to become more aggressive in the export wheat trade. Russian wheat with a minimum guaranteed protein of 14 per cent is being marketed in Britain at the rate of 20,000 metric tons a month. This new guaranteed protein level will be difficult to meet and it is an area into which the Wheat Board and Canadian marketing authorities will have to look. It would be hopeful if the Russians could be induced to take up their option for the balance of this crop year, and I am sure that western agriculture is looking hopefully in this direction.

This measure will be an inducement for farmers to dry their grain because, having committed so much to the cost of harvesting it, it would be a great tragedy if the grain was not put into condition to be stored for a considerable length of time. It is stated by Mr. McNamara, chief commissioner of the Canadian Wheat Board, that there are enough driers to dry Canada's damp grain if they were in the proper place and were used to the fullest extent.

• (2:20 p.m.)

It is hoped that this measure will facilitate the situation so that as much grain as possible will be put into condition and stored before its disposal. I endorse what has already been done by the government but I suggest it cannot stop there. Many farmers are in serious

financial difficulty and feel that by taking advantage of these advances they are being pushed further into debt. Hundreds of millions of bushels of damp grain are involved, and it would seem to me to be good business on the part of the government to provide a direct subsidy to the farmers to induce them to dry their grain. I do not feel that the subsidy should cover the entire cost of grain drying but it should cover at least a part of it. There is much to be done and the time is short. I hope the government will consider a direct subsidy as a partial payment in respect of the cost of drying grain in order that it may be stored and not completely lost in the year ahead.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I concur with those hon. members who have spoken before me to the extent that I am not opposed to this legislation, but I must, as members of this party have done earlier, protest against its gross inadequacy and terrible unfairness. As has been suggested in this chamber in months past, when a situation occurs such as that in respect of the harvest in western Canada last fall it constitutes something more than just a problem for farmers. It constitutes a national problem which should be solved by the entire nation. The cost of providing such a solution should not be borne entirely by the farmers but by the nation as a whole.

Earlier the Minister without Portfolio (Mr. Lang) talked about panic on the part of members on this side of the house which he alleged occurs every time the farmers face a problem. It is not panic, sir, but anger, frustration and a feeling of being completely fed up. The farmers on the prairies do not panic very easily. Nor do the members of this house who come from the prairies panic very easily. Farmers have to put up with wet years and dry years. They have to put up with being up to their eyeballs in wheat some years and having no wheat at all in other years. In recent years there have been only one or two occasions when there has been above normal rainfall, and the past fall was the worst of all. In spite of this, the farmers have in the past been able to survive and cope with all situations. In the dirty thirties they had to put up with dust, grasshoppers and gophers. They can cope with all these things but when they have to cope with a Liberal government as well it is a little too much to expect of them.

This is not the first time a federal Liberal government has been inadequate, apathetic and deadly slow in providing fair treatment on behalf of the entire nation to the agricultural industry. When we are talking about the cost of putting cereal crops in western Canada into good condition for marketing we are talking about something which will cost at least $70 million and could reach $100 million. We cannot expect the farmers to bear the entire cost. That would be unfair, unjust and unthinkable. Any government of any political party which comes up with this kind of inadequate measure without really accepting its share on behalf of the whole nation is failing in its responsibilities.

A number of farm organizations have submitted proposals to the government, but I have yet to hear a single minister, or a member on the government side of the house respond in this house or in any public manner to these proposals. As far as I know the government has not even had the courtesy to reply to these organizations or tell them why these proposals cannot be implemented.

The Saskatchewan Farmers' Union submitted a lengthy proposal dealing with the drying of grain in which it was outlined how it could be transported from the farmer's yard to the dryers and back. The union recommended and pleaded for a schedule of payments to cover part of this cost. It suggested that from last August 1 to the end of February a maximum of 12 cents per bushel should be paid to the farmers for drying, from March 1 to April 30, 10 cents per bushel, and from May 1 till the end of the crop year, 5 cents per bushel. I do not know whether the government has even replied to this proposal. I hope the minister or someone on that side of the house will indicate whether a reply has been made and, if so, what it contained. If an unfavourable reply has been made I hope someone will explain why it was unfavourable.

During an earlier debate the hon. member for Saskatoon-Humboldt (Mr. Lang) suggested to hon. members on this side of the house that there was a fundamental message that should be passed on to members from central and eastern Canada. I think we have got this message across to the members who sit on this side of the house. I should like to know whether the hon. member has succeeded in getting the message across to other members on the government side.

We have said time and again that of all the occupational groups in this country the one group which has no say about how much it is to be paid for its labour and its investment is made up of the farmers. When this group asks for fair and reasonable assistance in

dealing with a situation such as the one that now exists they are not asking for something to which they are not entitled. National disasters have occurred on a number of occasions in this country and the nation as a whole has rallied to help. I have in mind the Winnipeg flood or the steel mill that went belly-up in Nova Scotia. Surely this is another disaster in respect of which the whole nation should assist.

I suggest to the hon. member for Saskatoon-Humboldt and other western members on the government side of the house that the two people they must persuade are the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Benson). I am sure that members from western Canada who sit on the government side are fully aware of the problem. They perhaps understand the situation better than I, and I hope they will go to extraordinary lengths to persuade their colleagues in the government and the Liberal caucus as to the urgent need for assistance. Several million dollars should be made available from the federal treasury to offset a portion of the cost of drying last year's crop. This grain must be put into condition in order that it can be sold. We must prevent it from spoiling.

I think I am being very conservative, and I use that word advisedly, in estimating the total cost of this operation at a minimum of $70 million. Surely it is only fair that a third of this cost should be paid by the federal treasury. I hope members on the opposite side will endeavour to convince the Minister of Finance that for every dollar he puts into this operation now he will get $2 back next year and the year after as a result of higher income and corporation tax returns and foreign exchange benefits through export markets. If one wants to look at this situation purely from a dollars and cents point of view, the country will benefit as a result of money being spent in this way by the government. All the money spent now will be returned over and over again as a result of higher income and corporation taxes paid by farmers and industries associated with agriculture. It will also, without question, benefit our export sales and our foreign exchange position.

• (2:30 p.m.)

Surely it is good business, therefore, for the federal government to now allocate at least $20 million, and preferably $30 million, in direct cash assistance. I suggest to the hon. member for Saskatoon-Humboldt that later this session he should introduce a measure to provide that the $600 taken as a cash advance under this bill will not have to be repaid by any farmer who has used the money to dry his grain.

A number of statements have been made by members of the government, and I am sorry to say by some people in the higher circles of the grain industry and even in one farm organization, to the effect that there is apathy and complacency on the part of the farmers in not drying their grain. These people have said that the driers are not all being used. This is perfectly true; they are not all being used. There are a number of excellent reasons why all the driers are not being used. Some of these machines are so old and obsolete that a farmer would be foolish to try to dry his grain in them, because a great deal of damage could be done to the grain.

The farmers of western Canada are not stupid; they know of this and other reasons that cause them to hesitate or delay using on-farm driers. I should like to illustrate why some of them are not being used. Farmers have heard about the large number of samples that have come back showing that grain that had been put through a drier had been damaged. The farmer therefore thinks he had better not take a chance in drying his grain and further spoiling it because it is in bad enough condition already. This farm income position inhibits, and that is a mild word, any further expenditure in drying his crop. I should like to illustrate this. I spoke on the telephone last night and this morning with elevator agents and a few farmers in my constituency. The right hon. gentleman from Prince Albert can confirm that Lake Centre is pretty well in the middle of the wheat growing area of western Canada. I think it is a reasonably good sample of the grain industry in the west. A great deal of the wheat being hauled to the elevators is graded No. 4 northern or No. 5 wheat. The initial price for No. 4 northern is $1.36¾ a bushel, and if it is damp it brings the farmer $1.19¾. I am informed that after drying No. 4 northern wheat is often graded No. 5. In many instances wheat drops a grade after it has been dried. This brings the price down to $1.22 a bushel, which is a further loss of 14 cents a bushel for drying No. 4 wheat. This is when the frost shows up in the grain, and it is graded accordingly. The farmer knows that No. 4 wheat may after drying be graded No. 5. In this case he loses money on the price of the wheat in addition to the cost of drying it.

There is another reason why all the driers are not being used. The cost involved is not just a matter of the rental of the drier. There

are costs involved for trucking, for grain loaders and the fuel required for both these machines. In addition there is the cost of storage and hiring labour. All these are added to the cost of drying the grain.

A test has just been carried out by the Saskatchewan Wheat Pool. They installed, 25 feet from a country elevator so they did not break the fire insurance regulations, an MC600 continuous-flow drier. They bought 10,033 bushels of wheat for $10,584. After drying the wheat they had left 9,267 bushels. It was worth more per bushel, namely, a total of $11,260. There was a net loss in the drying process of 716 bushels. Therefore, after the wheat was dried there was a profit of $675. But while they made a profit of $675 on the value of the wheat, namely, 10,000 bushels, the charge—and the wheat pool kept very meticulous figures when carrying out this test—for 66 hours while the drier operated, at $13 an hour, was $858. This meant there was a net loss of $182.65 on those 10,033 bushels of wheat which had originally been purchased. This is another reason why farmers are not making use of all the driers available.

The farmers know, if the Minister without Portfolio does not, that in many instances, after paying for drying and meeting all the accompanying costs involved therein, they will be even farther in the hole. Making available an additional $600 cash advance will not even begin to solve the problem; the felony will only be compounded.

We have instances in the northern parts of the province where grain has sprouted, or after being hauled into the elevator is found to be heated. There has been very little of this so far but the situation will get worse before it gets better. When farmers haul in wheat in this condition, because it is out of condition they are paid as little as 91 cents or 98 cents a bushel. If they have already taken the $1 advance they will not receive enough money to repay the advance. Now the minister suggests they should take another ten cents cash advance.

There is a further reason why all the driers are not being used. There is a natural desire—it is perfectly understandable; I would do the same, as I am sure my hon. friends opposite would—on the part of the farmer to save all the expense, time and effort that he can by holding off and trying to get the maximum amount of grain into the elevator on the three bushel damp wheat quota. As I say, this is perfectly reasonable; I would do the same and so would any member

[Mr. Benjamin.]

of this house who was in the same position. Therefore the farmer is not in any great rush to use the driers.

There is no apathy or complacency on the part of our farmers, but they are saying there is indeed apathy and complacency on the part of the government. This attitude of the government has further frustrated them. If the government is not interested in doing something to improve the situation with regard to grain driers and the use thereof, the farmers wonder why they should carry all the cost.

I submit that I have given six reasons, some of which are stronger than others, why grain driers are not being used to the full extent. The strength of the reasons depends upon the part of the west from which you come. I hope I am wrong, Mr. Speaker, but I am afraid that this additional cash advance program will not mean the increased use of driers that is hoped for. I am afraid that a large number of farmers will still hesitate to dry their grain any sooner than they have to. As long as the weather remains 35 or 40 degrees below zero, the situation will not be corrected. As the hon. member for Assiniboia (Mr. Douglas) and the hon. member for Saskatoon-Biggar (Mr. Gleave) can tell you, if the farmer is faced with the cost of loading his grain on to trucks for delivery to a drier, having the grain dried and then hauling it from the drier back to his farm in 40 below weather, the driers will remain idle.

Do not misunderstand me, Mr. Speaker: we are not blaming the government for the weather. There are many other things for which the government can be blamed and we do not have to use the weather. I assure the minister that neither I, my colleagues, nor hon. members to my right are in any sense of the word panicking when we bring these matters to the attention of the government. I tell him quite frankly that I have been angry for many weeks because of this situation. I think the minister and his colleagues from western Canada have also been angry and frustrated at the inability of their colleagues, particularly those in higher places, to understand not only the magnitude of the problem but the need to provide money to assist in solving it. I must say, sir, that if the Minister without Portfolio were able to persuade the Minister of Finance to part with that amount of money, I for one would be happy to decorate him outside the city hall at high noon in front of all his constituents and applaud him.

• (2:40 p.m.)

The measure that the minister has put before us is an amendment to a bill that was originally passed in November of 1957. I would like to draw to the attention of the Minister another section of the bill—here I may be wrong, and if so am subject to correction—that I think needs amending in the light of experience in the repayment of cash advances. Unless there are some other regulations of which I am not aware, and I am not aware of any other amendments, section 13 of the act puts forward the instances in which a recipient is in default in repaying a cash advance.

The Acting Speaker (Mr. Béchard): I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Benjamin: May I have a couple more minutes, Mr. Speaker?

Some hon. Members: Agreed.

Mr. Benjamin: I wanted to point out this one item to the minister so that when the bill reaches the committee he may agree with me, if I am correct on this, and agree to bring in an amendment. Section 13 illustrates the instances in which the recipient is in default in repaying the cash advance, and paragraph (c) says that if the cash advance has not been returned by December 31 in the new crop year immediately following the crop year in which the advance payment was made, or at such later date as the board may authorize in special cases, then the recipient is in default. May I suggest to the minister that a farmer who takes out the full cash advance, if he is eligible to get the full $6,600, will be extremely unlikely to market enough grain between now and the end of December to repay the entire amount. I would like to suggest to the minister that he amend this bill further and extend the date to at least March 31 of the following crop year for the repayment of these cash advances.

I realize the board can make exceptions in special cases, but there may be so many cases that it will go beyond the realm of special, individual cases. Therefore it seems to me that extending the length of time when the repayment can be made in the new crop year to March 31 would not constitute a major change in the legislation, and the likelihood that the farmer will only get five bushels delivered at the end of July, or at the best six, and perhaps units and a one bushel quota by Christmas, will not enable him to repay the entire advance. Even in the case of a farmer who is not eligible for the full amount of advance payment, it just means he is farming a smaller acreage and will haul proportionately less wheat with which to repay the advance. I hope the minister will look at this measure and, if there are no other regulations or amendments to correct, that he will bring in this correction.

I close by making a final plea to my hon. friends opposite and by saying that this matter is beyond any partisan politics. If it will help, I will even say I am sorry I made the nasty remarks I did about Liberals in my speech in order to strengthen my effort to persuade the hon. gentlemen opposite, particularly those from western Canada, to mount a campaign directed at their colleagues, particularly at the Prime Minister and the Minister of Finance, to allocate not less than $20 million and preferably $30 million amongst the farmers of western Canada toward paying a fair cost of putting our grain crop into condition. In our opinion it is certainly a reasonable share of the cost that the rest of the nation can bear.

Mr. Craig Stewart (Marquette): Mr. Speaker, in speaking on this bill may I say I agree with the $600 advance payments to the farmers for the purpose of drying grain, but why does it take so long to get action out of the government? It is the same old story—too little and too late.

Any member from western Canada could see the tough and damp grain situation building up early last fall. Many areas of western Canada had the wettest and poorest harvest conditions we have seen in the last 20 years. On top of this, many areas had their crops touched by early frost and the grain did not ripen properly or took longer than usual to do so. Every week in the House of Commons it was pointed out to the government that there were going to be problems getting the crop dry.

Any farmer in western Canada knows that by October, no matter how good the weather, your combine and harvest day is very short. The farmer is lucky if he can start combining before noon hour and usually, because of moisture, he has to stop by 5 or 6 p.m. This is a far shorter harvesting day than in August or September. Any person driving round western Canada in October could see by the amount of crop still in the swath that there were going to be problems. The Minister of Agriculture (Mr. Olson) made a tour of western Canada at that time and stated that

things were not good but that there was no emergency. After hearing this statement I am sure that when he assessed the situation in Manitoba he must have just walked round the Winnipeg Airport and looked at the situation from there. I know I was alarmed when he made that statement. I know the majority of the crop in the Winnipeg area was under water. The majority of the crop in western Manitoba was still in the swath and getting wetter each day.

Finally, in late November the Wheat Board announced a special three bushel quota for damp grain. By this time the majority of wheat was testing anywhere from 20 to 21 or higher. However, in October this same grain was testing around 17 or 18. Why did the government not take action then? They were told of the situation, Mr. Speaker, and we all know that grain is far easier to dry at 17 or 18 than it is at 21 or higher.

Another question I would like to ask is, why did it take so long to get the drying facilities at the Lakehead operating on a 24 hour seven day a week basis? Surely the government must have felt concern, and could have made some attempt to solve this problem sooner. By January we heard questions being asked as to why more dryers were not being used. Any farmer will tell you it is an expensive proposition to dry grain when the weather is 25 or 30 degrees below zero.

I stated earlier that I am in favour of the advance to assist farmers in drying grain. But this government must realize that credit is not the answer to the problems of agriculture in Canada today. Right now many areas of Marquette have not even had a one bushel quota for dry grain, and here we are at the end of January. How much longer does the government think our farmers can exist on yearly quotas of five and six bushels? Our farmers need drastic action by the government to face up to the problems confronting agriculture. Let us have more aggressive efforts made to sell our grain. How can we expect the Wheat Board to be concerned about wheat sales when the Prime Minister makes statements such as he did in Winnipeg when he said "why should I sell wheat?" The government has to show leadership and direction to the whole agricultural industry, and it is time they got on with the job.

We have all heard now about the deplorable situation that exists at Vancouver with the large number of boats waiting for dry grain. Here again the government was slow in acting. It took a special debate on agriculture last January 22, proposed by members of the official opposition, to get the grain moving. Why, within 24 hours of that debate, were trains moving out of Moose Jaw with No. 2 northern wheat? It was the prodding of the members on this side of the house that was responsible.

Again I say that credit is not the whole answer to our agricultural problems. It is time the government reviewed the serious situation facing the farmers of Canada and came up with a concrete agricultural policy so that the farmers can also share in the so-called just society that this government has advocated.

• (2:50 p.m.)

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I presume the minister would close the debate if he spoke now so I should like to make some comments with respect to Bill C-162.

Like the previous speaker I find I must support this bill because it does offer some measure of financial assistance to the wheat producers of western Canada. But surely it cannot be said that the bill is of any substantial significance relative to the size of the problem faced by the prairie grain producers. I listened with interest to the remarks made earlier today with respect to this bill by the right hon. member for Prince Albert (Mr. Diefenbaker) and others. I find that this government has indeed been guilty of sins of omission. By mid-October of last fall it had become evident that the harvest situation on the prairies was extremely bad, from which it might have been assumed that a large part of the harvest would be out of condition. Nevertheless, in the two months from mid-October to the end of the year no real effort at coordination was made by the government or by any of its agencies to cope with the situation. It is only now, at the end of January, that any systematic effort is being made to get a sufficient number of grain dryers together and distribute them proportionately in the areas where there is need.

The question could be asked: why was the government so nonchalant about this problem throughout November and December? The weather now is cold; there has been a cold spell on the prairies since mid-January. I would imagine that the amount of drying taking place at the country elevators and on the farms is small. It is a pity that the months of November and December were wasted. It can be said without exaggeration that the government must take the blame for the fact that out of the 200 million bushels of grain which

are out of condition and unsuitable for sale only a small percentage has been dried to date. I calculate, in a rough and ready way, that only between one-fifth and one-quarter of the total amount of grain which is out of condition has been dried so far, and it is unlikely that anything will be done in the next few weeks. It is only at the end of winter and the beginning of the spring season that we can expect any substantial amount of grain to be dried on the prairies and at the terminals.

The question is asked whether the job can, indeed, be done with the number of dryers available, before spoilage sets in. I know the government was entertaining a notion that if the matter were left to individual farmers they would make their own arrangements. However, when the problem is of the present magnitude it seems the only logical course is for the government to take a major part of the responsibility by acting as co-ordinator in connection with the major effort required. I have been informed that in the months of November and December some farmers were thinking in terms of action at a higher level to ensure the use of country elevators as points where drying equipment could be set up under the supervision of operators who knew their business. In all too many cases weeks, even months, passed without anyone being prepared to take responsibility for co-ordinating the effort to get drying machines set up at strategic points.

I understand from an hon. member representing one of the Ontario ridings—I do not know whether he has yet spoken in this debate—that a significant number of grain dryers from the Ontario corn-growing belt were made available to elevator companies at the Lakehead and even farther west in Manitoba and that this was done on the personal initiative of individual corn growers in those areas. We must be happy and grateful that there are people in eastern Canadian agriculture who are prepared to do such things. But one can only scratch one's head in amazement that so little initiative was shown on the part of those directly concerned—the government, particularly the Department of Agriculture, the Wheat Board and the elevator companies. What in the world was going on in the months of November and December when no action was taken? Of course, I do not blame the officials in any direct way. The onus of taking decisions, formulating policy and bringing in programs rests with the government, with the ministers of the Crown.

We had high hopes that the new Minister of Agriculture (Mr. Olson) and some of his colleagues would show themselves to be well versed in western agriculture and that they would have been anxious, willing and prepared to take remedial action. There is an old story that at the time Rome was burning the emperor was fiddling. I think it is appropriate to mention in this connection that at a time when western agriculture was experiencing grave difficulties because of a bad harvest and low sales, at a time when western farmers were facing a desperate situation, the Prime Minister of Canada, if not fiddling, was diddling. I do not doubt that some members opposite think we are exaggerating when we say that conditions in western agriculture are desperate.

• (3:00 p.m.)

If they are of that opinion I should like to refer them to the year's end analysis, if I may call it that, that was made by the president of the Canadian Federation of Agriculture. Having followed Mr. Bentley's public statements over the years, I am convinced that he is a man who is not given to overstatement. If anything, he tends to understate the facts of a situation. He was sufficiently frustrated with the present situation in which western agriculture finds itself to say, as he did about two weeks ago, that the conditions in which western farmers find themselves today are—and I pause for emphasis—desperate.

In face of this situation, the government brings forward legislation. Government spokesmen point out that the government has proposed other legislation besides simply Bill C-162 which is now before us. I agree; the government has provided other legislation having to do with agriculture. They have brought forward legislation governing interest rates on farm loans and increasing the amount of cash advances that are available. Now, there is this piece of legislation.

In every piece of legislation related to agriculture that the government has put before the house, one will notice there is nothing contained therein that will have any effect upon farm incomes. The government has increased interest rates and also the amount provided by way of interest free advances, which is fine. We now are discussing ancillary amounts up to a maximum of $600 in the form of cash advances, and for what? Apparently, it is to enable the farmers to pay the added costs caused by having to dry the grain they harvested after a bad season last fall.

There is nothing in this legislation that goes to the heart of the problem of the low incomes of farmers. For that matter, one can say that there is nothing in this bill that will really be of direct assistance to farmers who are put to extra cost in drying their grain. The day of reckoning is merely postponed. I confess there is one advantage: given the high rate of interest now prevailing in the economy, a few hundred dollars made available without interest will be of some concrete benefit.

In conclusion, if in addition to increasing the amount of cash advances available to pay specifically for drying grain the government had shown some leadership in co-ordinating operations and giving assistance to farmers, elevator companies and the pools in setting up grain dryers last November and December at strategic shipping points on the prairies, then I think the government would have been deserving of some commendation. Whatever effort is underway at the present time in the way of setting up grain dryers, very little of that effort has been made by the federal government. It seems to me that some of the provincial governments have been more prepared, and have acted more quickly, than the federal government in the setting up of grain drying equipment. The fact that we are going to support this piece of legislation should not be taken to mean that we do so with any feeling of enthusiasm whatever.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I rise at this time to voice my disappointment in this government for what has been called their inadequate effort to deal with the wheat problem. The hon. member for Selkirk (Mr. Schreyer), who has just taken his seat, said that this government has shown no leadership in connection with our grain problems. If the bill presently before us is an example of the government's efforts in helping the farmers with their wheat problems, then I say those efforts are much more than inadequate. I hope that when the Minister without Portfolio (Mr. Lang) gets to his feet he will give the people of Canada some idea how much money is involved, so far as the federal treasury is concerned, in the implementation of this bill.

The word "peanuts" has been used time and time again in this house, but I say that this proposed amount is even less than peanuts if it is intended to give assistance to the farmers. I doubt whether many will take advantage of this legislation.

[Mr. Schreyer.]

I suggest that the government does not know what the wheat problem really is. Certainly, it does not know how to solve it. There are reasons for this. I was sorry to hear the hon. member for Regina-Lake Centre (Mr. Benjamin) say he regretted saying nasty words about this government. I was going to compliment him on the statement he made about the ability of this government to handle this problem. In fact, I was going to add some words of my own.

Mr. Lang (Saskatoon-Humboldt): Feel free.

Mr. McIntosh: I do feel free, and I certainly will. The hon. member for Regina-Lake Centre said that as far as grain policies are concerned this Liberal government is apathetic, complacent and inadequate. I say that this government has no policies with regard to grain. This fact was exemplified by the statements made by three ministers in this house a week ago Wednesday. I want to refer to those speeches for a few moments, including the speech of the Minister without Portfolio from Saskatoon-Humboldt. The government has shown no leadership; and this bill is not going to help the western farmer very much, perhaps to the tune of a few hundred dollars and that is all.

The government wonders why it has been placed in this situation. I want to quote some of the words used by the minister from Saskatoon-Humboldt, because I submit that the three ministers who spoke in this house on January 22 offered Canadian farmers nothing but excuses. The government suggested there had been problems with the weather, with the transportation system, with the efficiency of the railroads, and alleged the demand for grain had been stronger than anticipated. Every member of the house who comes from a western riding knows that these problems face the wheat industry every year. There is nothing new in those aspects this year compared with previous years. Our problems may be more serious, but that is all.

I suggest that if you are in a position of responsibility you should anticipate things. You should forward plan for all eventualities. If you do not, then your administration gets in a mess. This is exactly what has happened to this administration so far as the wheat industry is concerned. Why is the government in a mess, and why is our wheat industry in a mess? The answer, in part, lies in the attitude of our ministers. I understand that the minister from Saskatoon-Humboldt said on a former occasion that representatives of western Canada in this house do not really know the

history of the wheat industry. I suggest, Mr. Speaker, that hon. members from the west may be more fully aware of the history of that industry than the minister is. When the minister states that the farmers this year are in a better position than last year, he is really making poor excuses which are not acceptable to the farmers of western Canada. The problems facing our western wheat farmers are every bit as bad this year as they were last year.

• (3:10 p.m.)

Let us look at the history of wheat farming and show this minister who aspires to be a history teacher just how the wheat farmer fared during 22 years when the Liberal party was in office. The policies of the Liberal administration in previous years led to a huge surplus of wheat piling up on the prairies. The Liberal government of those days did not attempt to sell that wheat, so the prospects facing farmers were bad. Many farmers wanted to move off their farms but could not do so because they lacked money. Our farmers didn't have a nickel.

What the Conservative government took office in 1957-58, they made the selling of western wheat their responsibility. I know many people wonder whose responsibility it is to sell our wheat. In the present administration the Minister of Agriculture (Mr. Olson) seems to have no jurisdiction over the wheat industry, but he said that the members of my party were in some way hurting the wheat growers. At the same time, he suggested we were afraid to attack the policies of the Wheat Board. That is not correct. We are not afraid to criticize Wheat Board policies and never have been. The Minister without Portfolio ought to read the remarks I made on August 6, 1960. Of course, it may be argued that if the Wheat Board does not prove capable of marketing wheat, we ought to get rid of the Wheat Board.

I am not suggesting that should be done. Nevertheless, we faced our responsibilities in 1960. At that time we had one minister who was responsible for wheat and not three ministers, as in the present government. Right now three ministers are each partially charged with responsibility for wheat matters. One may well ask how any government can solve problems in the field of wheat when the responsibilities in this area are divided between three ministers. Each minister in the present government tries to pass the buck to his fellow ministers, the result being confusion and chaos. It was different under the Conservative government. That government realized the problem existed and did its best to solve it. The government of that day gave leadership when leadership was needed. Today there is no leadership, the result being that our wheat industry is faced with major problems.

The major difficulty today does not stem from lack of cash advances but from lack of markets. The minister ought to examine what happened in the past to see how the Conservative government solved the problem of wheat sales. We recognized that we had to increase markets for our wheat. It is true that the responsibility for selling wheat rests to some extent with the Wheat Board, but it also rests with the government which controls the Wheat Board. The combined efforts of government and the Wheat Board are required to sell wheat.

The problem facing the Conservative government was that not enough customers were looking for wheat. Then, when a large customer for wheat was found the cabinet decided to make credit available to that customer to facilitate the sale of our wheat. It may not be fair to give the credit for that sale to any one individual. It is enough to say that wheat was sold when our minister co-operated with the Wheat Board. Administrative difficulties were overcome, credit was made available to our customer, and wheat was sold.

Those who maintain that we were afraid to criticize the actions or policies of the Wheat Board ought to read *Hansard*. In particular, may I refer hon. members to remarks I am reported as having made at page 7692 of *Hansard* for August 6, 1960:

> I am aware that under the Canadian Wheat Board Act the Canadian wheat board is given very wide powers pertaining to the delivery and merchandising of western wheat, oats and barley. I also realize that these powers were given to the wheat board by parliament. However, I feel that the present officials of the Canadian wheat board are not carrying out the policies of this government; and I wish to stress that point. They have also become too complacent in their attitude to their duties as members of that board. I might say here that the powers they have been given are too wide to be administered by bureaucrats.

I agree with that statement at the present time. I do not say the members of the wheat board have no ability; obviously they have. Yet, I cannot help harbouring the suspicion that bureaucrats are interested mainly in their pay cheques at the end of each month. That may be a harsh judgment but it is one

that was made back in 1960. The Conservative government was in power at that time and backbenchers supporting the government made such charges. That just shows the value of having backbenchers express their opinions on these matters. I submit that backbenchers who represent constituencies in western Canada speak the truth when telling hon. members of the problems of western farmers.

I wish to refer again to my remarks of August 6, 1960, as reported on page 7693:

> I have reason to believe that the present wheat board policy in determining its daily selling price for Canadian wheat offerings to domestic and foreign buyers is too rigid, and that as a result of this inflexibility we have lost foreign sales which should have been available to our western producers. I am aware that those who do not agree with my remarks will charge that I am trying to interfere with the orderly system of marketing of western grain. I hasten to say that if such a system solves or will solve the problem of the western grain surplus, then I will support it wholeheartedly. On the other hand, if the present orderly system of marketing works to the disadvantage of the western grain producers whom I represent, then I suggest that some of the conditions in this system should be changed.

In so many words I have said the Minister without Portfolio from Saskatoon-Humboldt is not competent to deal with wheat matters. I ask, how can any man charged with the responsibility for overseeing one third of the operation of the wheat industry, without knowing what the ministers charged with responsibility for the other two thirds, are doing, possibly do a good job in selling wheat or administering any phase of the wheat industry. Only one minister ought to be responsible for wheat matters. At present the Minister of Industry, Trade and Commerce (Mr. Pepin) has a primary responsibility in this field. That is not good enough.

If I were charged with responsibility for deciding our wheat Policy, I should make sure that one minister was responsible for selling wheat. It is folly to have three ministers overseeing one industry. They cannot do a satisfactory job. For that reason, I urge the government to allow one minister to handle all matters connected with wheat. I do not care whether it is the Minister of Agriculture, the Minister without Portfolio (Mr. Lang), or any other minister. It is important to concentrate responsibility for all matters pertaining to wheat under one minister. As I have said before, our primary problem lies in our lack of markets. We shall not solve our problems by making available interest free loans for the drying of grain. If the government is to tackle our wheat problem it ought to tackle it vigorously. Yet, I doubt that the government will follow my suggestion.

Last January 22, 1960, the Minister of Industry, Trade and Commerce made the following remarks while speaking on the motion moved by the hon. member for Mackenzie (Mr. Korchinski):

• (3:20 p.m.)

> At one point we were getting rather far from Vancouver and from the situation that exists there.

This is just an example of how close he is to this problem. He did not know what the problem was. He thought the problem at Vancouver just concerned a few ships. He said, "we should be congratulated because out of this port this year already we have shipped 5 million bushels more than we did last year". Last year wheat shipments from Canada were not adequate, Mr. Speaker, as the minister knows. Farmers in western Canada had a 6 bushel quota at best which meant they could sell 12 bushels per acre of seeded wheat because, in most cases, only half the farm is cultivated at one time. The average yield on the prairies today is very close to 20 bushels per acre. By simple mathematics, you will see there is a backlog each year of the difference between 12 and 20 which amounts to 8 bushels. The farmers are responsible for storing this amount and problems are created if the grain is not moved. I say the responsibility for moving this grain rests with the government. They have agencies to handle transportation, marketing and so on. If these agencies do not get the necessary leadership, then everything falls apart. That is happening right now and happened under the former Liberal administration.

This problem was rectified under the Conservative administration, so why not adopt their policies? Why not try them? This is all the western farmers want. Perhaps that is the reason the Liberals cannot get support in western Canada. As one hon. member said a few moments ago, the farmers of western Canada are not dumb. They are as well read as any person in Canada and know the situation. They know of the lack of action of this government and if these ministers think for one moment they are fooling the western farmers, they are badly mistaken. If the government wants support in western Canada they must take positive action by seeking the main problem which, I suggest to the minister, is marketing. The Government must try to solve it and then they will get support. This

cannot be done by bringing in puny pieces of legislation such as we have today.

The Minister of Industry, Trade and Commerce (Mr. Pepin) gave the excuse that adverse weather conditions in western Canada had caused the problem; the storms, cold, frost, snow, rain and everything else. A few moments ago I mentioned forward planning. Why are these agencies not forward planning to take care of these situations? The minister should tell these agencies which he controls what should be done in this eventuality. Certainly, these people must have an answer. They said because of the cold weather the trains could not pull 80 box cars, but could pull only 40. What is to prevent the railway companies from running two trains? The minister said there were unanticipated demands on the west coast. Surely, someone must have known the ships were going to enter Vancouver harbour at least days, weeks or even months ahead. They knew what they were coming for and the type and grade of grain they wanted. I say this information must have been waylaid in one of the minister's baskets. It is an administrative problem and the fault of the government.

I sympathize with the minister from Saskatoon-Humboldt (Mr. Lang) for the job given him by the Prime Minister (Mr. Trudeau). There must only be one boss, and therefore the minister is not in a position to solve this problem. The Minister of Industry, Trade and Commerce does not know the meaning of 5 million bushels. He thinks it is a lot, but for a country that exports approximately 600 million bushels then 5 million is very minor.

The Minister of Agriculture is not in the house. In his speech on January 22 he said that the criticisms of opposition members were spoiling the chances of western wheat farmers. How in God's name can the opposition spoil the farmers chances by criticizing the actions of the government? The speeches made by the ministers on January 22 were nothing but nonsense. They admitted to the Canadian public they did not know how to handle the situation which had arisen. This is how the western farmers and we on this side of the house interpreted these speeches. So far as trying to make political hay from this is concerned, we have already done that and will continue to do so because of the lack of action on the part of the government.

An hon. Member: They are making it for us.

Mr. McIntosh: Don't make any more nasty remarks which you may have to withdraw. I still say the efforts of this government are inadequate, apathetic and complacent. The minister should inform this government that more legislation is required to help the western farmer with the problem he faces today. I hope he gives some indication that the problems connected with the marketing and handling of grain in western Canada will never occur again. I am looking for the minister to come before the house and give excuses why this or that has not been done. We are interested in what the government intends doing about the situation. We are aware of the fact there will always be problems such as weather conditions and shortages of box cars at certain times of the year. These conditions should be anticipated and forward planning should be carried out to offset them.

Wheat growing is not a new industry in Canada and I doubt if there is any problem in connection with this industry which has not been dealt with previously in some manner, successfully or otherwise. I suggest to the government that the whole wheat industry should be under the jurisdiction of one minister, even if it be the Minister of Agriculture—although I doubt that he is capable of handling it. However, I do have some hope for the Minister without Portfolio because he may be able to solve the problems of the wheat growing industry in western Canada.

Mr. Lorne Nystrom (Yorkton-Melville): I am not going to say much in this debate because I think most of the points have been raised by the official opposition or the government. But coming from a constituency which is almost 100 per cent rural, I feel I should make a few general comments regarding this particular piece of legislation. Although my constituency is basically rural, we do have a few larger towns and cities. In Saskatchewan, whether or not you are a farmer, you are indirectly involved with the farm economy.

• (3:30 p.m.)

It is for this reason a bill of this nature should be not only of interest but of grave concern to everybody in that province and to all the western members. The previous speaker, before he concluded his remarks, made a comment about somebody making nasty remarks. Whether, or not the government or the opposition like it, I believe farmers today in all parts of western Canada make a lot of nasty remarks. I was surprised, perhaps I should not have been, by some of the comments I heard during the Christmas and New

Year's recess as I toured the constituency of Yorkton-Melville. I also made a speaking tour throughout southern and western Manitoba and Saskatchewan. The farming people in western Canada are becoming very concerned about conditions as they are. They are asking a lot of basic questions, such as why the farmer is getting rougher and rougher treatment all the time. Why is it becoming increasingly difficult for him to meet his needs? Why is the farmer the only person today who, when he goes into a store, must ask how much a certain commodity is and must accept it at that price? Yet, when he sells his produce he must ask how much he will be given for it.

The farmer is one of the few people left today who finds himself suffering within the so-called free enterprise market. This is the position the farmer is strapped in; everything works against him. The whole system seems to be working against him. He is becoming increasingly frustrated and restless. This is the reason, I believe, that he is starting to ask a lot of very basic questions. This mood can be found everywhere. One finds farmers asking questions, talking about organizing, seriously protesting and demanding that they get more recognition. They are beginning to demand a reduction in the prices paid for the commodities which they must purchase before they can produce a bushel of wheat. Farmers are demanding more markets. They say the government asks them to produce grain, but when they do the same people in the government do not find markets for their grain.

We know that a great deal of food in the form of grain is going to waste. The Canadian farmers have the capacity to produce grain, but it is not sold. This is the reason they are asking a lot of basic questions. I think we should look at the real problem. It is not only the farmer of western Canada who is concerned. The agricultural industry, I think, is still one of the most important industries for Canada as a whole. It is a vicious circle. If the farmer and the agricultural industry are having a bad time, then the business community right across the country is having a bad time. This has an adverse effect upon the entire economy and they there are repercussions right through the entire nation. This is the reason we must find some new and radical alternatives in the agricultural field, rather than just attempt to solve one or two problems by one or two minor pieces of legislation.

[Mr. Nystrom.]

We cannot ignore the problem. We cannot hope to solve it by just approaching it here and there, then locking the real problem in the closet and forgetting about it. It will not go away. We must take the problem by the horns and explore some new avenues. Many people have grain in their bins which they cannot sell. Some of them are on a one bushel quota, others are on a two bushel quota and perhaps a few are on a three bushel quota. But these people have tough and damp grain which they are unable to dry because they cannot afford to do so. Many of these people are in debt up to their ears because of the price of farm machinery and land. I know people who are going to the bank and the credit union begging for money and for extensions on their loans. This is how drastic things are becoming. Many of them may be forced out of business. This is the reason we must explore some radical alternatives and consider giving grants rather than loans to some of these people who are in really serious circumstances.

We can look around us. We can look, for instance, at the movement of grain. I say that we should start campaigning for a more vigorous marketing policy. I have before me some statistics from the Board of Grain Commissioners concerning shipments from country grain elevators. For the month of December, 1967 there were some 28,696 carloads of grain shipped from grain elevators. During the same period in 1968 there were 21,311 carloads of grain shipped from grain elevators. This is a decrease of about 7,300 in a year when we need increased rather than decreased shipments. All of us remember quite well the emergency debate in this house last week concerning the tie-up in the shipments of grain from the port of Vancouver. We can't afford this type of situation when it so seriously affects the people on the farms. We must speed up these things and restore some of the faith people have in all of us in this chamber, not only the farmers in western Canada but many people across this country.

Many people are losing faith in this institution. They want us to be more relevant and produce results right here and now. We see that in January, for example, of 1967 there were some 14,885 carloads of grain shipped. In the same two week period of January last year, 1968, there were 5,835 carloads of grain shipped. During the first two weeks of January this year the figure was down to some 4,674. We see a steady decrease in the number of carloads of grain that are being shipped. I

believe these things prove one point. No matter how you look at it, the farmer in western Canada seems to be getting a rougher and rougher deal all the time.

I do not wish to take up too much more time. Much has been said in this debate and much more probably will be said by other members. I want to beg and plead with the government that they really explore some new avenues and alternatives in order to restore the confidence the people once had not only in the government but also in politicians, especially when these politicians refer to the basic issues which concern the people themselves and the livelihood of the people.

Mr. R. E. McKinley (Huron): Mr. Speaker, members of this chamber may wonder at my participation in the debate on second reading of Bill C-162, a bill to help the prairie farmers receive funds for the drying of grain. My interest is not very difficult to understand because I can remember quite well back in the years 1956 and 1957 when the grain was piled high in the west. Then, all the western farmers took to feeding that grain and glutted our livestock market in eastern Ontario which we more or less consider to be our market to help us keep the eastern agricultural people in a prosperous position. I remember that very well. It was not until 1957 when another government took office that things were rectified to a certain extent. I believe that even today the agricultural people consider the Conservative party to be their friend.

• (3:40 p.m.)

I welcome this legislation and the assistance it will provide in alleviating the problem in western Canada in respect of grain drying. This grain must be dry if it is to be exported. If it is not to be exported, it will be used as feed for livestock. If that is done the cattle will be a glut on an already full market in eastern Canada. Transportation is such that this beef can be transported very easily from western Canada to eastern Canada.

Hon. members will remember that a few weeks ago I mentioned there were many dryers available in Ontario, particularly in the constituency of Huron, which could be used for drying some of this grain if someone would co-ordinate the operation. At that time those responsible people opposite suggested that a lack of dryers was not the problem in western Canada, but rather that the problem involved money. One energetic individual in my constituency decided to do something about the situation and I am happy to report that he has placed a number of dryers from Huron county at the Lakehead. He moved them there on his own initiative, and they are now set up outside the Saskatchewan wheat pool elevators and the Richardson operation. The Richardson people started this operation first, so that is a mark in favour of free enterprise.

This same energetic individual who initiated the use of Huron county dryers at the Lakehead went to Vancouver to find out the situation there. He is familiar with this drying operation because in my riding the farmers dry a lot of corn. This is a normal operation unless the corn is stored on the cob. This drying business is unusual in western Canada. Under ideal harvest conditions western farmers do not have to dry the grain, but at this time there are well over 200 million bushels of damp grain in western Canada. If it is not looked after before the frost leaves it will either spoil or have to be used as feed grain. Surely, we do not want a repetition of the livestock situation which existed in 1956 and 1957.

When this individual went to Vancouver he found a desperate situation. I do not like to criticize the Canadian Wheat Board, as it has done a tremendous job in the past, but like any other body, I suppose it can become careless after being complimented for many years. There is a tremendous apathy in western Canada on the part of those who should be responsible for moving this grain to Vancouver. The president of the wheat board, Mr. McNamara, has indicated to the house through the minister in charge that the problem does not involve dryers but involves money. This is not entirely true. Inspectors from the Board of Grain Commissioners are not available to go out to each farm to make sure that the grain is not dried too fast with a resultant loss of protein quality. I do not think Mr. McNamara has looked into this situation thoroughly. The onus is on him and the board to co-ordinate operations in order to move dry grain from western Canada to the Lakehead and to Vancouver.

The gentleman to whom I have referred discovered that the elevators and storage facilities in Vancouver were filled to capacity. He was prepared to move any number of dryers to Vancouver to assist in drying this grain. Money is being made available to cover the cost of this move. The terminal elevator operators in Vancouver have not faced such a situation in a long time, and the apathy on

their part is something the Ontario farmer cannot understand.

At Vancouver there are six or seven conveyor belts to carry the grain to the ships. The people there consider that is all these conveyor belts are capable of doing, but I suggest they need some direction from the wheat board in respect of drying the grain. One of these belts could be used to carry the grain to the dryers. The grain has to be put into the terminals where the facilities actually exist for unloading cars. Perhaps these operators should send a man to the Lakehead to find out how this operation is conducted there. Perhaps a similar operation could be instituted at Vancouver. I am sure this would make the farmers of western Canada much happier than they are at this time. If this were done, not nearly as much wheat would be spoiled or disposed of by feeding to our livestock. At the present time we do not need this grain for our livestock because Ontario is full of corn.

• (3:50 p.m.)

The people at the terminal elevators of western Canada are not familiar with this sort of operation. The Minister of Industry, Trade and Commerce (Mr. Pepin) is not in the chamber at the moment, but I suggest he should spend a week in the west in order to familiarize himself with the problem, and should take with him someone who understands what is involved in it. I am sure that the agricultural industry of this country and those countries of the world which need our wheat would gladly forgive him if he were absent from the house for one week in order to gain experience in handling the problem.

As I say, the minister should take someone with him who understands the situation and should endeavour to take steps to solve it. The people dealing with this matter at the present time are not familiar with the job that has to be done in western Canada. I am sorry that it should take somebody with initiative from the east to try to make them see the light and get the job done; but we have lived with this sort of situation for many years since all our corn crop has had to be dried.

There are in Huron county alone, which is part of my constituency, 40 or 50 dryers available. They could be ready at short notice to be moved to and set up outside the terminals in Vancouver, in order to dry the grain. All we need is somebody to co-ordinate such a program and tell the people running the terminals in Vancouver, if they have never encountered this sort of situation before, how to do the job. We could provide a great deal of assistance in this respect if we were invited to do so by those responsible.

I put these remarks on the record so the house may understand our concern about the lack of action in this connection. I blame the government for this situation; I blame the Wheat Board and those connected with it. I suggest it is time to stop making explanations and get on with the job. This job must be done. We do not need to feed 200 million bushels of wheat to our cattle because it cannot be exported. We do not need to feed it to our hogs, turkeys, hens and broilers, because in Ontario we have enough feed for our cattle and poultry. Therefore I earnestly ask that those responsible get moving on this problem. They have not done so up to now; all we have heard is explanations. Something must be done to get the job done.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a point of order involving the business of the house. I understand there is a willingness on the part of all concerned that a bill standing in the name of the Minister of National Revenue (Mr. Côté) be called at this time and proceeded with long enough to dispose of the matter. I understand there is no unwillingness that this should happen. I bring this matter to the attention of the house and Your Honour. If I am correct, the minister might like to make that request.

The Acting Speaker (Mr. Richard): Is there a motion to adjourn the debate?

Mr. Baldwin: If we do this it will involve the adjournment of the debate, Mr. Speaker.

The Acting Speaker (Mr. Richard): Mr. Baldwin, seconded by Mr. Crouse, moves:

That this debate be now adjourned.

Motion agreed to.

CUSTOMS ACT

AMENDMENTS RESPECTING SALE AND ABANDONMENT OF GOODS, ETC.

Hon. Jean-Pierre Côté (Minister of National Revenue) moved the second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill S-10, to amend the Customs Act.

He said:

[*Translation*]

Mr. Speaker, I will be very brief as I think that it has been agreed to pass this

bill as soon as possible and to refer it to the committee. The purpose of the bill is as follows:

The purpose of Bill S-10 is to update certain provisions of the Customs Act giving force of law to a number of proposals presented by the Standing Committee on Public Accounts and, besides, authorizing amendments which would be more in keeping with the modern and more efficient methods of clearance of imported goods and which would meet the requirements of Canadian industry.

It is proposed to authorize by legislation the collection of revenues on goods which formerly had to be destroyed according to the law.

Previously, the goods had to be destroyed unless they could be sold, so as to produce an amount sufficient to pay the duties imposed on them.

[*English*]

Under the proposed amendments, and in keeping with modern business requirements, greater flexibility would be permitted in respect of the examination of imported goods. It is also proposed that the period during which eligibility for certain types of refund payments may be established be extended to overcome the difficulty the importing public has experienced in establishing entitlement to refund within the shorter period specified in the present act.

[*Translation*]

It is also proposed Mr. Speaker, to ratify the long-standing practice of granting a refund of duties, for the sake of justice, on goods imported at a high rate of duty, but which are subsequently diverted to a use for which they could have been imported at a lower rate of duty than that actually paid when imported.

[*English*]

In brief, Mr. Speaker, this bill simply has as its purpose the implementation of certain recommendations made by the Standing Committee on Public Accounts and the granting of authority for up-dating and improving certain departmental procedures and practices.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, although the minister did not say it, I suppose he could have said that really the purpose of this bill is to provide for some minor housekeeping in the Department of National Revenue, Customs and Excise Division. It certainly is not my purpose to deal in great detail with the principle of the bill as it now stands. The bill will go to the Standing Committee on Finance, Trade and Economic Affairs, where we can look into these matters generally.

I would, however, like to make one observation in connection primarily with the purpose of clause 1 of the bill. I refer to a matter raised by the minister's colleague, the Minister of Consumer and Corporate Affairs (Mr. Basford), when dealing with Bill S-4. That bill was considered by the Standing Committee on Finance, Trade and Economic Affairs and concerned the Precious Metals Marking Act. That act is very straightforward, but lo and behold, near the end of it there is a reference to the Fisheries Act.

One might well ask, why does the Fisheries Act intrude upon the Precious Metals Marking Act? The answer is, because there is a seizure procedure in the Fisheries Act which is deemed to be possibly the best method of dealing at the present time with articles which should be forfeit to the Crown or received on behalf of the Crown. I think it is absolute nonsense that there should be these cross-references to other acts. This matter will be discussed at the committee stage. The minister may share some of my concern in this regard, because my experience in the Department of National Revenue has led me to the following conclusion.

• (4:00 p.m.)

There should be one act that deals with commodities that are seized or forfeit to the crown for their disposal, then we would not have to have this nonsense of cross references to one act or to another. So, I am sure we will be able to explore that particular facet of the problem at the committee stage. Therefore, I would commend the bill to the house for second reading and referral to the Committee on Finance, Trade and Economic Affairs.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I am pleased to see before us Bill S-10, an act to amend the Customs Act, because I think it is long overdue. It is a very good example of how archaic legislation can become if it is not under constant scrutiny. My distinguished and learned friend, the hon. member for Edmonton West (Mr. Lambert) alluded to the fishy nature of seizure procedures, if I may be excused for putting it that way. One tends to think that much of our legislation was drawn up at the time when we were basically trapping animals and fishing and when those were our only occupations. Perhaps this legislation has not been reviewed since. The Customs Act is perhaps a good example of that kind of legislation which has not been updated. There is a need for a continuous evaluation of legislation, particularly that which

affects government revenues and expenditures, because a private member can do very little about making suggestions for improvements in legislation of this kind. We are fortunate, in a sense, that through private member's bills we can make suggestions about such legislation as the Criminal Code. So long as such a bill does not involve government expenditures, worthwhile suggestions can come from the private members of this house. It might be interesting to go over the history of this parliament to see how much of the progressive legislation that is now on the books or is being contemplated found its first expression is the form of a private member's bill.

As an example of how archaic this legislation has become, we have only to look at what Bill S-10 is trying to change. It does not take into consideration the existing legislation nor the fact that we have a department, formerly called the department of defence production, which now has a new name and superior methods of finding customers for some of the goods that are abandoned. The existing legislation makes reference to the means of sale and specifies that it must be done by public auction. Certainly, this is recognized as unduly restrictive on the government's ability to find the best way of disposing of these goods. The exisiting legislation goes on to say in section 23 (2):

> —if offered for sale for home consumption, or the charges, if offered for sale for exportation, such goods shall not be sold, but shall be destroyed.

One wonders what fine protectionist finger found its way into that legislation when it first saw the light of day. Imagine saying that unless you can get a certain amount for the goods, they have to be destroyed. This method is no longer acceptable, and I am glad to see that one of the purposes of Bill S-10 is to change this notice.

If we read the bill we will run across a rather interesting little item which appears under clause 11, subsection (2) of section 170 which reads in part as follows:

> —shall be entitled to demand for each certificate a fee of fifty cents before delivering the same.

It is quite obvious that you can no longer issue a certificate for 50 cents. In fact, it is hard to hold a two minute conversation with a civil servant without costing the government more, let alone deliver a receipt. Therefore, very wisely, the amended bill permits the government to establish a fee that is more in harmony with the actual cost to the government.

[Mr. Saltsman.]

This bill will be going to the Finance, Trade and Economic Affairs Committee, and like the other legislation that has gone to that committee will receive a very careful scrutiny. Perhaps, it may emerge a better bill. I certainly hope the government will show a willingness to accept amendments that members of that committee may see fit to offer, because it has been our experience that some excellent amendments have been put forth by members of the Opposition. When those amendments have been incorporated in the bill it has been an improvement on what was first presented to the committee.

Therefore I say on behalf of this party that I am very pleased to see Bill S-10 introduced to the house and sent to the committee from here.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I did not intend to speak on this bill but for certain reasons will do so. I have always been interested in the operations that take place in customs offices, and in reading this bill, which I did not have the opportunity of seeing previously, I find a number of changes that will have some significance. One of the changes which I notice is that those areas which were originally designated as ports of entry are now referred to differently since these ports no longer exist. In fact, they have not existed for a period of time. This bill removes those ports of entry which no longer exist. I suggest that there is a better way of doing it. Obviously, places where there is no physical facility for bringing in goods or no collector stationed, cannot be designated as ports of entry.

For many years the argument has been advanced that goods that are imported into Canada at an excessively high cost and were seized for non-payment of duty or because of illegal entry had to be sold at a sufficiently high price to cover the costs or else the law indicated the goods had to be destroyed. I am sure that years ago at a time when our armed forces travelled frequently across the border and when there was some difficulty in purchasing such commodities as cigarettes, which were both expensive and restricted as to brand, many people went over to the United States, particularly servicemen who lived near the border.

• (4:10 p.m.)

The Acting Speaker (Mr. Richard): Order. It is my duty to remind hon. members that it is past four o'clock. I understood that this bill was to be given second reading within a short

time, but if the house wishes to proceed at length with discussion of this bill I would ask it to say so. Is it the pleasure of the house to extend the time allotted for this discussion?

[*Translation*]

Hon. Jean-Pierre Côté (Minister of National Revenue): Mr. Speaker, I think agreement has been given because the Leader of the Opposition (Mr. Stanfield) has asked that consideration of Bill No. S-10 be completed, even though we might have to take part of the private members' hour. This debate was supposed to take only a very short time.

[*English*]

Mr. Stewart (Cochrane): On a point of order, Mr. Speaker, there was an agreement to go over the time limit to dispose of this bill. It seems to me that if the hon. member for Timiskaming (Mr. Peters) wishes to cooperate he would not take so much time out of the private members' hour, in order that there might still be an opportunity to debate the items raised by private members.

The Acting Speaker (Mr. Richard): My understanding was that this matter would take only a short time. I do not think there is unanimous consent that we should proceed to discuss this bill until five o'clock. If hon. members agree that we should set aside private members' hour until this bill has been disposed of I would, of course, be willing to accept its decision.

Mr. Drury: I think there would be unanimous consent to our continuing for another five minutes.

The Acting Speaker (Mr. Richard): Is it agreed that the time given to this bill will be extended by five minutes?

Some hon. Members: Agreed.

Mr. Peters: There are many things I should have liked to have said about this bill during the next 15 or 20 minutes, but I shall certainly abide by your ruling, Mr. Speaker, It always seems odd to me that the high duty charged on certain goods coming from the United States should result in these anomalies. Cigarettes are a good example. You pay duty of about a dollar per carton. If the officer demands the payment of duty it costs as much to pay the duty as it did to buy the cigarettes. These cigarettes could obviously not then be sold at a profit. Yet, the law says they have to be destroyed if customs duty and costs cannot be recovered. I am glad the minister has decided these articles are to be sold by auction where it will not make much difference whether or not the total amount is realized.

There are a number of other clauses here which I think are important. I am sorry the hon. member for Cochrane (Mr. Stewart) is not familiar with the difficulties which develop in this field. Obviously, there is no port of entry near him. In places such as Cobalt, where there are ports of entry, disputes often arise between customers and customs officials when goods purchased in the United States are found to be below expectation either in quality or in quantity. This often results in disagreement about whether the full duty should have been collected on such goods. I know the minister is giving consideration to extending the time during which these discussions can take place from 30 to 90 days. I am glad this is so, because sometimes the process involves writing to the shippers of the commodity concerned to ascertain whether the labelling was correct or whether the bill of lading only covered a partial shipment.

Then again, differences often arise because a person purchasing goods covered by what he believes to be a specific rate of duty finds that the goods can be used in another category where the rate of duty payable is different. In some cases no duty is payable at all. I am pleased the minister should have agreed that in such cases, though duty must be paid initially, it can be refunded.

Mr. Speaker, I do not want to abuse the time allowed me by unanimous consent of the house. I am prepared to see this bill go to committee for consideration.

Mr. Harding: Mr. Speaker, I am anxious to say a few words on this bill.

The Acting Speaker (Mr. Richard): Does the house agree that we should proceed with this bill at length? I would remind hon. members once again that it is past four o'clock. The chair could not care less whether or not it is decided to stay on this bill until five o'clock, but I would like to have a determination made whether we should proceed with this bill until its completion or whether a time limit should be placed upon the discussion. I say this because private members' hour has not been called; it should have been called, and the proper motion has not been made.

Mr. Peters: May I suggest that my hon. friend from Kootenay West (Mr. Harding) be given unanimous consent to make limited

remarks. I can assure hon. members that his observations will not be in the same category as mine. I did not object to Your Honour's advice to me because of circumstances which I have already indicated, but these do not apply to my hon. friend. Maybe the house would be disposed to listen to what he has to say on this subject.

Some hon. Members: Carry on.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, it is not my wish to delay the passage of this bill but there are one or two points I should like to raise in connection with the legislation before us.

I believe several additional amendments could and should be included in this legislation. A number of problems have been experienced in my area in connection with the Customs Act. I should like to ask questions about these points and possibly the minister could answer them later. We have in the city of Nelson a customs warehouse for perishable goods. Why cannot its use be extended to cover general goods? An application in this connection has gone to the department. It has been approved by the region and by the local people. It would not cost the department one single penny to implement it. The customs officers are there. The buildings are there. This is something which would prove of immense convenience to the business people of the area. To my mind, this is a logical and sensible request by the people of this area and I can think of no reason why the department should turn it down. In fact, I cannot imagine why a general customs warehouse was not set up many years ago. That is one question I wanted to raise in connection with this bill.

• (4:20 p.m.)

I have one more point to make. I have received another complaint from people in my area concerning goods sent over the border. In this case they were wedding gifts. If a wedding gift costs more than $10, customs duty is charged on it. I say this is sheer and utter nonsense. In this age of inflation, and with customs regulations that were drawn up donkeys years ago, I suggest there should be an upward revision in the value of goods crossing the border duty free. Certainly, the ceiling of $10 on genuine wedding gifts that are sent to a couple should be sharply raised. In the particular case to which I refer the couple was forced to return a number of gifts to the senders and they will have to pick them up in a year or two's time. I do not think that this type of gift is really what those who drew the regulations had in mind. This is something that the minister should look into.

With those few remarks I close, and I should like to thank the house for its generosity in allowing me these few moments to express my views on this particular piece of legislation.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Richard): It being four o'clock the house will now proceed to the consideration of private members' business, as listed on today's order paper, namely private bills.

PRIVATE BILLS

On the order: Private Bills:

January 23, 1969—Consideration of Bill S-6, an act respecting The Canada Trust Company as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs —Mr. Blair.

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, I am informed that the hon. member for Grenville-Carleton (Mr. Blair), who is responsible for this bill and also the following one on today's list, is ill. Therefore I would ask the agreement of the house to stand these two items, retaining their position on the order paper.

The Acting Speaker (Mr. Richard): Shall items 1 and 2 stand at the request of the government?

Mr. Peters: Mr. Speaker, before we proceed I should like to raise a point of order; this is the first opportunity that has arisen to do so. Your Honour will note that under item No. 1 there is this statement:

For text of amendment to be proposed at report stage, pursuant to section (5) of standing order 75 —see Notice Paper as appended to Votes and Proceedings of January 28, 1969.

My point is that if an amendment is going to be moved, then for the orderly conduct of business it should be attached to the original motion on this paper. I suggest hon. members will be confused if they have to look at *Votes and Proceedings* to find amendments. Obviously, the amendment has to be recorded in *Votes and Proceedings,* but in the interest of the orderly conduct of our business it seems to me that Your Honour would serve us well

if you would consider having printed at this place on the order paper any amendments that are to be moved, with a notation where they appear in *Votes and Proceedings*.

I do not want to pursue this point of order but I would entreat Your Honour to take this matter under advisement for decision.

The Acting Speaker (Mr. Richard): This is a point that was raised by many other hon. members, and speaking personally as a private member I myself was surprised that the amendment was not included. However, I will refer this question to the Speaker for his decision.

Item stands.

THE EXCELSIOR LIFE INSURANCE COMPANY

The house resumed, from Thursday, December 5, 1968, consideration of the motion of Mr. Weatherhead for the second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill S-13, an act respecting The Excelsior Life Insurance Company.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, the sponsor of this bill in this chamber, the hon. member for Scarborough West (Mr. Weatherhead), explained the purpose of the bill on December 5 last. If one were to go by the explanatory statement of the hon. member only, one would conclude that the bill is innocuous enough, that its sole intent and purpose is to change the form of organization of Excelsior Life Insurance Company from its position under provincial letters patent to a federal corporation. This is one aspect of what is involved here and might be the bill's superficial purpose, but I submit what is really involved in terms of policy implications is considerably more profound.

In fact, I find it difficult to support the notion that really there are no policy implications involved in Bill S-13. We will be doing more than simply agreeing to allow this particular life insurance company to receive a federal style of incorporation if we pass this measure. We know that this is an old insurance company that has been in operation in this country for many decades, even before the turn of the century. However, we also know that it is a subsidiary of a United States parent, which itself, in turn, is part of the Connecticut complex of the life insurance industry of the United States. In addition, as an insurance company it is, in a sense, a financial institution only a little removed from the chartered banks in terms of the impact it makes upon savings and investment in this country.

Since this government is only too aware that there is in Canada at the present time a very acute and evident inflation problem, and since I think that the government should be only too willing to take specific action to counter the problem of inflation, I suggest that one matter that specifically relates to the bill and which the government should consider is this. A financial institution is asking us for incorporation under federal charter, and this it does by presenting a private bill. Although this bill has implications for public policy, we have no indication of the government's attitude to it. The matter is dealt with simply by getting the concensus of private members.

I join with those who on previous occasions have taken the position that it is about time the rules of procedure of this institution were changed so that when financial institutions and life insurance companies present private bills to this house we are given an indication by the present government of its attitude to such bills. The amount of money in this country that is available for investment purposes is not infinite, it is finite: the amount is fixed at a given point in time. At a time when interest rates are rising and funds for investment, housing construction and business expansion are increasingly difficult to get, I think this government should be concerned, and should show its concern, at what is being done with the capital that does exist in this country.

• (4:30 p.m.)

As an insurance company, Excelsior Life is competing for funds that will be invested. To the extent Excelsior Life is successful in its operation, it deprives other financial institutions of this country of money which those institution would obtain to invest. That must be borne in mind.

In the report on housing tabled by the Minister of Transport (Mr. Hellyer), a predominant recommendation has to do with the availability of mortgage funds. So fierce is the competition for mortgage money in this country that the minister has been driven to the absurd length of recommending that repayment periods for mortgages be extended from 25 to 40 years and that the ceiling on N.H.A. mortgages be raised from $18,000 to $35,000, I think it is. Clearly, the minister made those recommendations because he was desperate to

make mortgage funds available to the Canadian public. Yet, while he has been driven to making his absurd recommendations, and I emphasize some of his recommendations are absurd, we find that the chartered banks and life insurance companies of this country are gathering increasing amounts of the money which ought to be made available as capital.

I admit that in some cases our chartered banks are acting wisely and making available the savings they have gathered to our people in the form of mortgage money. In other cases, though, our chartered banks are gathering in supplies of money; instead of investing those moneys in mortgages or worthy investments, they are diverting such moneys into childish and even foolish channels.

Our banks spend much money in advertising loans which go towards non-productive activities. They promote red convertible loans, boots and saddle loans as well as many other types of loans for recreational or non-productive purposes. I submit that money which is presently being lent for such non-productive purposes could be used better if it were invested in mortgages or other productive fields. That money can help in the development and expansion of the less developed regions of this country. It could help to provide employment in those areas of the country which at present suffer from unemployment levels of between 7 and 8 per cent, as is the case in parts of the Atlantic provinces and northeastern Quebec.

One can understand why chartered banks are diverting their money into the field of soft consumer lending. Such loans bring high returns and our chartered banks seek to make the greatest profits on their outlays. Clearly, they are not motivated by a concern for the public interest. The diversion of money which ought to be used for housing and other worthwhile purposes into the field of soft lending is a clear indication that the banks are not concerned about the public interest. Life insurance companies have tended to display a similar attitude in the investing of savings they have gathered. From time to time when the policies of life insurance companies serve the wider public interest, everyone is happy. When those policies do not coincide with the public interest, the story is different.

Our present rate of inflation is between 4 per cent and 4.2 per cent per annum. There is fierce competition for investment capital in this country and therefore we ought to scrutinize carefully the policies and actions of all our financial institutions, among which is included the insurance company referred to in Bill S-13, now before us.

[Mr. Schreyer.]

The behavior of our financial institutions seems to be inconsistent. At the end of the 1950's and in the early 1960's a number of chartered banks felt it necessary to amalgamate. The result was that fewer chartered banks operated in this country. Presumably we felt that to be in the public interest. Yet at the present time the number of financial institutions in this country seems to be growing. We are adding new financial institutions to ones already existing. Clearly, the present trend of proliferation runs counter to the past trend of amalgamation. If the trends in the past were in the public interest, can it be said that present day trends serve the public interest?

Another aspect of Bill S-13 deserves to be mentioned, and the hon. member for Lotbiniere (Mr. Fortin) spoke about this when talking on the bill before Christmas. If his colleagues wish to comment on this point I hope they do; we shall be glad to hear what they have to say. The hon. member indicated he was unhappy with the prospect of this particular life insurance company being given a charter which would allow it to operate on a nationwide scale. He was unhappy because the company was approximately 75 per cent foreign owned. There seems to be a trend, if not a tendency, in the province of Quebec for outside firms to purchase life insurance companies, particularly foreign firms. One does not have to go into the reasons, but there are a large number of insurance companies operating in the province of Quebec who finds it important, right and fair to operate their day-to-day operations in both official languages. There was a tendency with the purchase of some of these smaller firms for the new owners to discontinue conducting their day-to-day operations in the same manner.

• (4:40 p.m.)

There are quite a large number of insurance companies in Canada at the present time. I understand there are approximately 16 insurance companies in this country in which the majority of the shares are foreign owned. Apparently, they are given preferential treatment if they have been operating in Canada prior to 1964 as they do not come under the general provisions of the amendments to the insurance act passed in 1964.

I conclude my remarks by saying, Mr. Speaker, that if the hon. member for Scarborough West (Mr. Weatherhead) moves the adoption of a bill such as Bill S-13 he should

be prepared to give a more convincing argument if he wants private members in the House of Commons to vote in the affirmative for the granting of a federal charter to a life insurance company, the majority of which is owned by foreign capital. The question can be asked, what harm will it do? One can equally ask, what good will it do? There has to be more than just an absence of arguments against, there must be a presence of arguments in favour before we are motivated to vote to grant a federal charter to yet another life insurance company.

I believe our financial institutions, which include life insurance companies, play an important role in our economy. The importance of this role is accentuated in times of inflation and offers competition for investment of capital. So much so the government should arrive at a policy, or should have definite attitude or position relative to applications for incorporation or charter which come to parliament from time to time from private insurance and money lending institutions. These matters should not be left to private members hour any longer.

What is involved is whether the government should have complete control over the investment situation in this country or whether the government should continue to play a laissez faire and negative role, leaving many important investment decisions in this country almost exclusively to directors who sit on the boards of these money lending and life insurance companies. With each passing year more and more cabinet ministers are of the view the government must adopt a more active role with respect to investment decisions in this country. One or two cabinet ministers are known to be in favour of the notion to establish a Canadian Development Corporation. There is only one reason for establishing such a corporation, and it is a very important one. Such a corporation would give the government an instrument for the marshalling of capital in small and medium sized amounts from hundreds of thousands of Canadian investors. In turn, the government could use this capital to the best effect, investing it in regional and economic development, where required.

We have the very antithesis of a situation where the government is playing an active role in fulfilling its responsibility to the Canadian public, because the government opts out, continues to opt out, and leaves large sums to investment capital to be gathered by private money lending institutions such as life insurance companies which, in turn, invest as they see fit. I have given some very good examples in recent weeks where this has been done, sometimes having regard to public interest which is fine, but often without any regard to public interest.

Mr. Nystrom: I would like to ask the hon. member for Scarborough West (Mr. Weatherhead) whether he is prepared to answer a question with regard to this bill?

Mr. Weatherhead: I understand that if I speak now I will close the debate, which I would be happy to do.

The Acting Speaker (Mr. Richard): If the hon. member speaks he will close the debate.

Mr. Randolph Harding (Kootenay West): I would like to speak briefly on this bill. As the previous speaker mentioned it is indeed odd that in private members hour we have very important bills such as this which in effect are setting government policy as far as control of the Canadian economy is concerned. The government itself should be very desirous of setting rules to govern this type of investment in our country.

Our policy for many years has been concerned with the alarming control being exercised over the various aspects of our economy. When a private member presents a bill such as S-13, an act respecting the Excelsior Life Insurance Company, one wonders where we are heading and whether the government in control of Canada today really cares where we are going or what is taking place in the investment field.

• (4:50 p.m.)

This bill is a rather interesting one. Anyone who looks at it can read the explanatory notes. Again, it is another piece of legislation which looks rather innocent. The average reader would not be disturbed by just checking the bill. He would think possibly that there is nothing here which could be of any harm to the Canadian nation. Yet, when we go back into the history of the company we find the same old story that has been going on for many years in this country. Here, we find that the Excelsior Life Insurance Company was incorporated in Canada on August 7, 1889. Then, we find that it is a subsidiary of the Aetna Life and Casualty Company, which is a wholly owned United States company that was incorporated in Connecticut on August 25, 1967. There are a host of subsidiaries under this company.

I, for one, believe it is high time the members of our party and members of other parties directed the attention of the Canadian public to the control that is gradually creeping into every aspect of our economy. Here we see today a move to incorporate this company federally. The old company had business branches in every province in Canada and Canadians are given the impression that this is the same old Canadian company doing business at the same stand. Behind the scenes, however, control is being exercised outside the boundaries of this nation. This is the very point which I think members should discuss, debate and bring to the attention of the Canadian public; that is, that we are gradually losing control of these insurance companies. The banks in Canada are by law required to retain their Canadian identity.

Gradually, we have seen the erosion in other fields. It started in the field of resources where companies gained control of many of the major resources in this country. Oil is a good example. We find these big oil firms outside Canada almost exclusively control the oil development within this nation of ours. The refining facilities, for example, in oil are 99 per cent foreign controlled. This is a disgraceful situation in the year 1969. Now, we see the tentacles of foreign control extending further and further into a host of other businesses. This is one of them.

I feel that matters of this importance should not be left to private members or that private members should hammer out government policy in this regard. This is what is being done here. I have no objection to certain bills going through the house sponsored by private members. Some of them certainly have a place in parliament. Over the years many bills advanced by private members of all parties in this house have served the purpose of drawing to the attention of governments problems which should be investigated.

In this way, after a sufficient amount of debate, public opinion has been formed around the idea pro and con and quite frequently governments have brought in the type of legislation which would support the idea initially advanced in the private member's bill. But a bill such as S-13, to my way of thinking, should not be presented here. I might point out to members of the house and to the government that bills in respect of other life insurance companies have passed through the house. One went through I believe in 1967 to incorporate the United Investment Life Assurance Company. When this bill was passed there was written into the agreement something which I think should be written into all bills of this type to ensure that eventually Canadian investors will have an opportunity to buy into these companies and finally obtain majority control of them.

I shall place on the record some of the detail in order to show what has happened, and what I think should have happened in the case of Bill S-13. The United Funds Management Ltd.—this is the company I have been talking about—decided to subscribe for $500,000 of the capital stock of the company and to make a further contribution to a surplus of $500,000. Then the statement continues:

> Within two years of commencement of business, United Funds Management Ltd. will sell to officers, directors and employees of the Company and, if necessary, others who are Canadian residents 25% of the capital stock of the Insurance Company for the same price.

Regulations of this type are absolutely nonexistent in the legislation which is before us. I shall skip some of the statement. Then, we have the following:

> Waddell & Reed, Inc. will, within two years of commencement of business of the Insurance Company, make a public offering to Canadian residents of a sufficient number of the shares of United Funds Management Ltd. to bring its share ownership to below 75%. Accordingly, within two years of the Insurance Company commencing business, the indirect ownership of Waddell & Reed, Inc., in the Insurance Company will be reduced to a maximum of 56.25% with practically all of the balance owned by residents of Canada.
>
> United Funds Management Ltd. will undertake to sell to Canadian residents within 10 years of the commencement of business of the Insurance Company—

[*Translation*]

The Acting Speaker (Mr. Richard): Order. The hour for private members' business has expired.

• (5:00 p.m.)

[*English*]

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, before the house rises for the week I wonder if I could put on the record the proposed business for the first two days of next week? As I said in my announcement yesterday, it is our intention to call as the first item of business on Monday, item 33 in respect of the Aeronautics Act. The second item of business will be item no. 41 in respect of the Navigable Waters Protection Act. The third item

will be no. 37 in respect of the Canada Evidence Act. The fourth item to be called on Monday will be number 12 on the order paper in respect of the Veterans' Land Act.

My colleague the Minister without Portfolio, the hon. member for Saskatoon-Humboldt (Mr. Lang) will be attending the Grains Council meeting in Winnipeg and will not be available to proceed with the Prairie Grain Advance Payments Act. On Tuesday, we will call that as the first item of business. When that is completed we will consider the bill to amend the Income Tax Act and the Estate Tax Act in respect of gifts.

Mr. Bell: As a matter of information, Mr. Speaker, has the hon. member any idea as to when the omnibus bill will again be considered?

Mr. Macdonald (Rosedale): Mr. Speaker, it would appear unlikely that we would be able to call the omnibus bill again before the week of February 17.

The Acting Speaker (Mr. Richard): It being five o'clock, this house stands adjourned until Monday next at 2 p.m. May I express the hope that you will all enjoy a pleasurable and restful weekend.

At 5.03 p.m. the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, February 3, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

PRIVILEGE

MR. BALDWIN—RULING BY MR. SPEAKER ON ALLEGED IRREGULARITY IN TABLING OF DOCUMENTS

Mr. Speaker: On Thursday last the hon. member for Peace River (Mr. Baldwin) rose on a question of privilege in relation to the tabling of a report by the Secretary of State (Mr. Pelletier). When tabling the paper, the Secretary of State used the following words:

Mr. Speaker, I should like to table a report concerning the security agents in some of our national museums, which report constitutes a reply to the numerous questions put to me in the house in the last few days.

The report appears to have been presented to the house under Standing Order 41(2). The hon. member for Peace River has expressed the view that the terms of the Standing Order are not sufficiently broad to include the tabling of that particular document. The hon. member has been supported in his contention by the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Edmonton West (Mr. Lambert).

The hon. member for Winnipeg North Centre has submitted the additional argument that the Secretary of State contravened the rules and practice of the house when he replied to oral questions by tabling the answer under the provisions of Standing Order 41(2). In reply to these objections, the President of the Privy Council (Mr. Macdonald) suggests that Standing Order 41(2) should be given a wide, rather than a restrictive, interpretation. The substance of the minister's argument is summed up in the following words reported at page 4928 of *Hansard* of Thursday, January 30:

• (2:10 p.m.)

While Standing Order 41 (1) is really quite precise as to the documents referred to, Standing Order 41 (2) is in the broadest possible terms. It permits a minister or a parliamentary secretary to lay on the table of the house any report or other paper dealing with a matter coming within the administrative responsibilities of the government. I believe that the Chair should give the widest interpretation to those words.

Later Thursday afternoon, after the hon. member for Peace River (Mr. Baldwin) had raised his question of privilege, the Minister of Finance (Mr. Benson) tabled a notice of motion to amend the Income Tax Act and the Estate Tax Act pursuant to Standing Order 60, subsection (1).

Then, pursuant to Standing Order 41(2) he attempted to lay on the table a document which the minister described as "explaining the ways and means motion and giving some illustrations of the consequent changes in taxes".

The hon. member for Edmonton West (Mr. Lambert), supported in his views by the hon. member for Winnipeg North Centre (Mr. Knowles), took exception to the procedure. The Chair then suggested that no further proceedings be taken and that the tabling be held in abeyance while the point of order and the previous question of privilege were being considered.

[*Translation*]

It is fitting to consider first the question of privilege raised by the hon. member for Peace River (Mr. Baldwin) about the tabling of a document by the Secretary of State (Mr. Pelletier). The hon. member, as well as others who supported his question of privilege, contend that the said document is not one which can be tabled under standing order 41(2). Secondly, they argue that the minister erred when he attempted to reply to questions put by some hon. members by another method than that prescribed by the standing orders. After much thought, I must decide in favour of the hon. members who questioned the procedure used, and especially the hon. member for Winnipeg North Centre (Mr. Knowles) who raised the second objection.

According to the standing orders, a question put during the daily oral question period may be answered either by an oral answer, by an order for return or by a ministerial statement on motions. I must express the opinion that the new standing order 41(2) does not provide for the establishment of a new procedure or answering oral questions.

Therefore I must conclude that the question of privilege was justified. I suggest to hon members that as far as answers to questions are concerned, standing order 41(2) should be given that interpretation.

[*English*]

I should like to consider now the procedural point raised in connection with the effort by the Minister of Finance to table the memorandum to which I have already alluded. As hon. members know, Standing Order 41(1) corresponds word for word with the previous rule, Standing Order 40, subsection (1). The Standing Order reads as follows:

> Any return, report or other paper required to be laid before the House in accordance with any Act of Parliament or in pursuance of any resolution or Standing Order of this House may be deposited with the Clerk of the House on any sitting day, and such return, report or other paper shall be deemed for all purposes to have been presented to or laid before the House.

That rule, corresponding, as I have said, to the previous Standing Order 40(1) determines the class of documents or papers that must be tabled by a minister pursuant to a statutory provision or to a standing or other order of the house.

The house has now adopted another Standing Order, 41(2), which reads as follows:

> A minister of the Crown, or a parliamentary secretary acting on behalf of a minister, may, in his place in the house, state that he proposes to lay upon the table of the house, any report or other paper dealing with a matter coming within the administrative responsibilities of the government and, thereupon, the same shall be deemed for all purposes to have been laid before the house.

The new Standing Order can be interpreted in only one of two ways; either it is intended to provide another method of tabling the papers described in Standing Order 41(1) or it is intended to provide a method to table documents other than those provided in 41(1). In my view, the second interpretation only is logical. Indeed, if Standing Order 41(2) means anything, it must be that it enlarges the class of papers which can be tabled by the government without notice and without leave.

The Chair is bound by the clear words of the rule to the effect that a minister may table any report or other paper dealing with a matter coming within the administrative responsibilities of the government. So long as the report or paper deals with a matter which comes within the administrative responsibility of the government, and that the paper is an official document for which the minister or parliamentary secretary accepts responsibility, it can be tabled pursuant to Standing Order 41(2).

[Mr. Speaker.]

If this interpretation of the rule results in the tabling of a type of paper or document which had not been contemplated by the procedure committee, it is of course open to the members of that committee to review the Standing Order and redraft it in a way which would justify a more restrictive interpretation. For the time being, the Chair would be inclined to accept, for tabling, papers or reports which deal with matters coming within administrative responsibility of the government and which are official papers in the sense that they are proposed to the house by a minister, either directly or through his parliamentary secretary, in the exercise of his ministerial responsibility.

[*Translation*]

DOMINION-PROVINCIAL CONFERENCE

TABLING OF AGENDA AND OTHER DOCUMENTS

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, you will recall that last December, when it became necessary to postpone the second constitutional conference, the question of when certain documents would be tabled in the house was raised and I answered that I would take the advice of the authorities of other governments, so that a date acceptable to everybody could be set.

Those consultations have taken place. There is now a general agreement to make those documents known on the following dates:

[*English*]

First, two main working documents of the conference, the report of the continuing committee of officials and a briefing paper on the discussions within that committee, are being released today by the secretariat of the constitutional conference. I should like to table these documents—

[*Translation*]

—copies in English and in French of those documents.

[*English*]

As to the papers of the Government of Canada, we shall be releasing these on Thursday of this week at 2 p.m. eastern standard time. This is the day generally agreed for the release of material by the participating governments, although certain of the provinces have already made public some of their position papers.

I should also like to table at this time the agenda, in English and French, of the conference beginning next week.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

EDUCATIONAL BROADCASTING STUDY GROUP

Question No. 658—**Mr. Fortin:**

1. Has an application for a broadcasting licence by a provincial government or its agents ever been rejected and, if so, when and with respect to what applications and on what grounds?

2. What is the composition of the study group on educational broadcasting, what are its terms of reference and, when will it submit its report?

3. Will this report be tabled in the House?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): I am informed by the Secretary of State and the Postmaster General as follows: 1. No. The policy of the Government, as stated in the House of Commons on May 3, 1946 is still in effect that since broadcasting is the sole responsibility of the Federal Government, broadcasting licences shall not be issued to other governments or corporations owned by other governments.

2. The members of the Task Force E.T.V. are as follows: Mr. Jules Léger, Under Secretary of State, Chairman; Mr. Gilles Bergeron of the Post Office Department; Mr. D. S. Thorson of the Justice Department; Mr. Michael Pitfield of the Privy Council Office; Mr. Ivo Krupka of the Privy Council Office, Secretary; Mr. George Miedzinski of C.R.T.C. —Head of the Study Group.

The Task Force is to study all aspects of this subject in order to assist the government in fulfilling its undertaking to facilitate the development of adequate broadcasting facilities to meet provincial requirements for the transmission of educational programmes. The Task Force will undertake a variety of specific assignments and is not asked to produce a comprehensive report.

3. See part 2.

ATLANTIC PROVINCES—INCREASE IN CANADIAN NATIONAL REVENUES

Question No. 703—**Mr. Coates:**

What has been the increase in revenues to the Canadian National Railways from the new less-than-carload-lot rates that were imposed on shippers in the Atlantic Provinces in September, 1967, to this date?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: During the period January 1 to October 31, 1968, there have been variations in the comparative total revenues on a month to month basis. However, on a cumulative basis, system revenues from this traffic are less than 1 per cent below the revenues generated in the same period in 1967.

CANADIAN NATIONAL EMPLOYEES

Question No. 742—**Mr. Godin:**

In Canada, in Quebec and in the federal constituency of Portneuf (a) how many telegraph operators were employed by the CNR in 1957 and 1967 (b) how many employees of all categories were employed by the CNR in 1957 and 1967 (c) what was the total amount of salaries paid by this company in 1957 and 1967?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: As the system is administered by regions which do not conform to the geographical boundaries of the Provinces, also as telegraph operators are grouped with station agents, caretaker agents, levermen and telegraphers, the information is not readily available in the form asked, and to extract the data would entail considerable time and expense.

However, a report entitled "Canadian National Railway and the Province of Quebec", presented to the Sessional Committee on Railways, Air Lines and Shipping on December 12th, 1963, as recorded in the minutes of proceedings and evidence commencing on page 361, states that in 1962 the working force of CN in the Province of Quebec numbered 21,994 and the total wages and salaries of this group exceeded $120,000,000.

The number of employees all categories Canadian Lines and their total compensation for the years in question are as folows:—

	No. of employees	Total compensation
1957	114,750	$425,030,402.
1967	86,200	550,049,038.

USE OF RAILWAY TRACK BETWEEN MONTREAL AND OTTAWA

Question No. 764—**Mr. Godin:**

On what date in the winter of 1967 did a C.N.R. train, leaving Montreal and going to Ottawa, illegally use a C.P.R. section of tracks, what was the number of that train and how many minutes was the train late in Ottawa because of that incident?

Questions

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: The question appears to have reference to an incident which occurred in Ottawa on February 5, 1967 when Canadian National Railway Train No. 133 from Montreal was permitted, by signal, access to Canadian Pacific trackage in preparation for a reverse movement into Ottawa station. Through error, the train crew continued to Navan on the Canadian Pacific trackage. Train No. 133 was 1 hour and 17 minutes late arriving in Ottawa.

GOLD MINES SUBSIDIES

Question No. 827—**Mr. Tétreault:**

1. What amounts of subsidies were paid to gold mines in Canada during the years 1965, 1966 and 1967?

2. What amounts of subsidies were paid for products exported from Canada during the years 1965, 1966 and 1967?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): I am informed by the Departments of Energy, Mines and Resources and Industry, Trade and Commerce as follows: 1. Payments to the operators in gold mines in Canada under the Emergency Gold Mining Assistance Act are as follows:

Fiscal years	1965-66	$14,757,573
" "	1966-67	14,959,891
" "	1967-68	15,199,765

2. Payments to the Canadian Wheat Board in support of the minimum prices for the sales of wheat made by the Canadian Wheat Board are:

Fiscal years	1965-66	Nil
" "	1966-67	Nil
" "	1967-68	$2,649,236

NATIONAL SPORTS COUNCIL MEMBERSHIP

Question No. 830—**Mr. Robinson:**

1. How many members are there on the National Sports Council?

2. Have any professional recreation people been appointed to the Committee such as Recreational Director and/or Supervisor and, if not, for what reason, and will such people be appointed?

Hon. John C. Munro (Minister of National Health and Welfare): 1. 33.

2. Yes.

[Mr. Godin.]

OVERSELL ON AIR CANADA FLIGHTS

Question No. 855—**Mr. Robinson:**

1. Is it Air Canada's policy to oversell airline passenger accommodation on Air Canada flights between (a) Ottawa/Toronto (b) Toronto/Ottawa (c) Ottawa/Montreal (d) Montreal/Ottawa (e) Toronto/Montreal (f) Montreal/Toronto?

2. Does the government intend to reduce the air fare on flights where there is no competition from other airlines?

3. What is the net revenue earned by Air Canada for passenger service provided between (a) Ottawa/Montreal (b) Ottawa/Toronto (c) Montreal/Ottawa (d) Montreal/Toronto (e) Toronto/Ottawa (f) Toronto/Montreal?

Hon. Paul Hellyer (Minister of Transport): The Management of Air Canada advises as follows: 1. No; the Air Canada reservations system is designed to achieve equalization between demand and capacity well in advance of departure time, and only a breakdown in communications or human error would bring about overbooking at departure time.

3. Air Canada is unable to provide the net revenue earned for passenger service between the city pairs listed, as all flights (with the exception of all-cargo aircraft which does not carry passengers), simultaneously transport passengers, excess baggage, mail, freight and express traffic. It is impossible to segregate the costs of flying aircraft as between the types of traffic carried on board the flights.

Regarding part 2, the government exercises no control over air fares. Regulation of tolls and tariffs is a matter coming under the jurisdiction of the Canadian Transport Commission, pursuant to the provisions of the Aeronautics Act and the National Transportation Act.

TRANSFER OF VETERANS HOSPITALS

Question No. 1,011—**Mr. McCleave:**

1. With what provinces and municipalities has the Department of Veterans Affairs held discussions about turning over its hospitals?

2. Have any hospitals operated by the Department been turned over to provincial, municipal or other non-federal control and, if so, which hospitals and on what terms, since the end of the Second World War?

3. Are any discussions continuing and, if so, involving which hospitals?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. With the Provinces of Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Alberta, British Columbia, and in addition in recent months discussions have taken place with municipal authorities at London, Ontario,

in connection with their interest in our property at Westminster Hospital. In 1949 discussions took place with the City of Toronto concerning the transfer of the departmental Christie Street Hospital to that municipality on the completion of our building program at Sunnybrook Hospital. There were also negotiations with the City of Ste. Hyacinthe, Quebec, in 1955, resulting in their taking over from the Department our T.B. sanatorium at that location, and in 1962 with the Ottawa civic authorities on our abandonment of the Veterans Pavilion at the Civic Hospital upon the opening of the National Defence Medical Centre.

2. During the immediate post war years there were many transactions between the Department, provincial and municipal authorities and other agencies concerning the disposal of properties that had been used as departmental treatment facilities and which became surplus to our requirements on the building of departmental hospitals or additional wings thereto.

In more recent years the following agreements have taken place:

(1) The Health and Occupational Centre at Ridgewood near Saint John, New Brunswick was, in 1965, leased for 21 years to the New Brunswick Provincial Workmen's Compensation Board under an agreement by which the Department has a lien on 30 beds for the domiciliary care of entitled veterans. Under the agreement the rental to be paid by the Province to the City of Lancaster is equal to the payments the Federal Government would have made to that municipality in lieu of taxes under the Municipal Grants Act.

(2) Sunnybrook Hospital, Toronto, was, on October 1, 1966, transferred for one dollar to the University of Toronto. The agreement provided that the Hospital would continue to give priority admission to eligible veterans requiring treatment and accordingly 630 beds were reserved for the active treatment of veterans and 570 beds for chronic and domiciliary care. The staff were guaranteed employment with comparable rates of pay and ancillary benefits. The Federal Government is responsible for the cost of a new wing of 400 beds upon request of the University of Toronto.

(3) The Veterans Home in Edmonton was, by agreement, in November 1966, transferred to the Province of Alberta for the sum of one dollar. This was replaced by a new chronic and domiciliary care unit of 150 beds adjacent to the University Hospital at a shared cost to the Department of $615,000. At the time this was opened in November 1966, the agreement provided that the Wells and Mewburn pavilions become the property of the Hospital with the Department occupying space for administrative and outpatient purposes.

(4) Lancaster Hospital, Saint John, New Brunswick, was the subject of an agreement on March 25, 1968 between the Department and the Government of New Brunswick and the General Hospital, Saint John which provided that Lancaster Hospital will be transferred to the Province on July 1, 1970, for the sum of one dollar. The General Hospital has agreed to add a veterans' wing of 300 beds to its own facilities for the priority care of eligible veterans. The Federal Government will make a grant of $4,500,000 to that Hospital. The staff will be assimilated under terms comparable to those arranged at Sunnybrook.

(5) Ste. Foy Veterans Hospital, Quebec, was, on September 1, 1968, transferred to the Province of Quebec which in turn has deeded it to the University of Laval. The real property of the hospital was ceded to the Province for one dollar. The Department has priority use of 150 beds for veteran patients of which 110 are for active and chronic care and 40 for domiciliary care. Within six years from the date of transfer the Province will erect a wing of 40 beds, the cost of which will be borne by the Federal Government. The hospital staff have been assimilated by the University of Laval at rates of pay and employee benefits not less favourable than those in effect in the public service at the time of transfer.

3. Yes, involving: Camp Hill Hospital, Halifax, N.S.; Queen Mary Veterans Hospital, Montreal, P.Q.; Ste. Anne's Hospital, Ste. Anne de Bellevue, P.Q.; Westminster Hospital, London, Ontario.; Deer Lodge Hospital, Winnipeg, Manitoba.; Colonel Belcher Hospital, Calgary, Alberta.; Shaughnessy Hospital, Vancouver, B.C.; Veterans Hospital, Victoria, B.C.; George Derby Veterans Home, Burnaby, B.C.

C.B.C. TIME ALLOTMENT

Question No. 1,034—**Mr. Fortin:**

1. Does the Canadian Broadcasting Corporation have a specific policy regarding the use and distribution of time it allots to (a) apolitical movements (b) political movements (c) others for public information over its networks, both (i) radio, and (ii) television?

Questions

2. If so, when was the policy adopted and on what principle(s) is it based?

3. If not, will such a policy be adopted and when?

4. If there is no intention of adopting such a policy, for what reason?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: 1. Yes. Free time is allocated to bona fide political parties for the expression of opinion. There is no allocation of free time to groups other than bona fide political parties but the Corporation applies to all controversial issues the principles enunciated in reply to Part 2.

2. The policy of the Canadian Broadcasting Corporation governing political and controversial broadcasting was adopted in the early years of public broadcasting and is based on the following principles: (i) The air belongs to the people who are entitled to hear the principal points of view on all questions of importance; (ii) The air must not fall under the control of any individuals or groups influential by reason of their wealth or special position; (iii) The right to answer is inherent in the doctrine of free speech; (iv) The full interchange of opinion is one of the principal safeguards of free institutions.

The C.B.C. does not sell time to individuals or commercial concerns for broadcasts of opinions or propaganda. It furthers the foregoing principles by the provision of free time to competent speakers to present, without let or hindrance, varying points of view on questions of the day. The C.B.C. considers that the best safeguard of freedom of discussion is a policy which permits fair opportunity for the expression of varied points of view on issues of public interest and concern.

C.B.C. policy with regard to party political broadcasting is based on the fact that for the proper functioning of representative and democratic government, it is essential that the public should be fully informed of the issues at stake in any provincial or federal election, and of the position and policies of the various parties on these issues. To carry out this policy, the C.B.C. follows a general plan for party political broadcasting which includes the provision of network time free of charge to recognized political parties during general elections. This gives all qualifying parties the opportunity of speaking to a wide public, irrespective of their capacity to buy time. In the periods between elections, an amount of free network time is made available to recognized party leaders or their representatives.

The allocation of free time broadcasts between elections traditionally has been established at a meeting between the C.B.C. and qualifying parties held at the beginning of each new Parliament.

Free time broadcast periods during election campaigns are also allocated in immediate consultation with the parties.

3. N/A.

4. N/A.

[Mr. Fortin.]

STATISTICS RESPECTING UNEMPLOYMENT

Question No. 1,047—**Mr. Macquarrie:**

1. According to the latest available statistics, what is the total number of unemployed persons in Canada?

2. What was the comparable figure for the same month in 1967?

3. Has the government any plans for alleviating winter unemployment?

4. If so, what types of programs are projected?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): I am informed by the Dominion Bureau of Statistics, the Departments of Manpower and Immigration and Finance as follows: 1. The total number of unemployed persons in Canada was estimated to be 338,000 in the week ended November 16, 1968.

2. The comparable figure for the same month in 1967 was 289,000. The number of employed persons rose from 7,409,000 to 7,677,000 over the same period of time.

3 and 4. The Department of Manpower and Immigration gives consideration at all times to the improvement of manpower programs in order to combat not only winter unemployment but unemployment in general. In the current fiscal year, the federal government will spend $197 million to provide training and retraining for adult workers. As compared with the previous fiscal year, this is an increase of $47 million. The training program is planned, in co-operation with the provinces, so that, wherever possible, adult workers are placed in training when they are unemployed. There is also a program which will this fiscal year provide various kinds of mobility grants to approximately 30,000 workers involving an expenditure of $4 million. The counselling and placement services of Canada Manpower Centres across the country have been greatly extended and improved.

Although the Department of Finance does not administer any programs having the direct effect of creating winter employment, its whole fiscal policy is aimed at balancing the goals of full employment, price stability and economic growth.

DOMICILIARY CARE UNDER VETERANS CHARTER

Question No. 1,098—**Mr. Dinsdale:**

How many veterans have been provided for under the domiciliary care provisions of the Veterans Charter each year and in each veterans' hospital since 1960?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): The domiciliary care provisions of the Veterans Charter are contained in section 29 of the Veterans Treatment Regulations made under authority of the Department of Veterans Affairs Act. The following table shows the number of patients in hospital under this section of the Regulations as of March 31 of each year from 1960 to 1968. These include both chronic care and domiciliary (bed and board) types of cases but departmental statistics do not provide a breakdown of the number of patients in each category.

NUMBER OF INPATIENTS IN DEPARTMENTAL INSTITUTIONS UNDER DOMICILIARY (INCLUDING CHRONIC) CARE AS AT MARCH 31, 1960 TO 1968 INCLUSIVE

	1960	1961	1962	1963	1964	1965	1966	1967	1968
Camp Hill	131	154	143	139	145	155	160	160	177
Lancaster	104	94	105	116	125	80	79	77	69
Ste-Foy	40	40	44	46	37	34	29	31	45
Queen Mary	20	14	17	15	15	17	8	11	13
Ste. Anne's	635	521	529	480	476	468	468	466	448
Rideau Vets. Home	121	134	122	91	98	114	116	113	117
Sunnybrook	575	542	476	441	423	412	406	—	—
Westminster	249	244	240	258	267	264	272	299	332
Deer Lodge	219	216	210	201	192	187	169	175	153
Vets. Home Sa	56	63	60	59	45	48	51	57	68
Col. Belcher	187	154	136	121	130	139	128	105	112
Vets. Home Ed	67	67	70	72	69	75	72	118	138
Shaughnessy	501	454	452	458	442	462	461	489	534
Vets. Hosp. Victoria	114	114	114	125	134	119	121	118	123
Total, Dom. Care Group	3,019	2,811	2,718	2,622	2,598	2,574	2,540	2,219	2,329

CAMPEAU CORPORATION—TORONTO WATERFRONT DEVELOPMENT

Question No. 1,114—**Mr. Robinson:**

Is the federal government providing any financial assistance on the start of the waterfront development in Metropolitan Toronto as announced by Campeau Corporation Limited of Ottawa?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): No.

VICTOR ASSELS, STONEWALL, MAN.—SALE OF PROPERTY

Question No. 1,132—**Mr. Schreyer:**

1. Did the Industrial Development Bank at any time in 1967 sell or otherwise dispose of property owned until the time of sale by one Victor Assels of Stonewall, Manitoba?

2. If so, was this transaction initiated by action taken by the Industrial Development Bank?

3. If so, for what reason?

4. What price or value did the Industrial Development Bank place on this property?

5. Did the Industrial Development Bank put forward the price of $63,000 on this property in its initial estimates as to the value of said property?

6. Were tenders called for this property?

7. If so, were any bids received and for how much in each case?

8. If bids were received, why were they not accepted?

9. By what means was this property finally sold by the IDB and for what amount?

10. If the property was sold quite apart from formal bids that were received, was there more than one offer?

11. Did the IDB refuse an offer that was in excess of that which was actually accepted?

12. If so, on what grounds was the lower offer given preference?

Hon. E. J. Benson (Minister of Finance): While the IDB provides comprehensive aggregate data on its operations in its Annual Report, it has not been the practice nor is it considered appropriate to make public information concerning individual accounts.

Questions

MONTREAL—AIRCRAFT MAINTENANCE AND OVERHAUL

Question No. 1,134—**Mr. Schreyer:**

1. What construction is planned in order to add to the (a) air terminal facilities (b) Air Canada maintenance and overhaul facilities, in Montreal?

2. What is the estimated cost in each case and what are the projected dates for such construction?

3. Is any construction planned to increase (a) air terminals (b) aircraft maintenance facilities either Crown owned or privately owned at Vancouver?

4. If so, what is the estimated cost and what are the dates projected for commencement and completion of such construction?

Hon. Paul Hellyer (Minister of Transport): 1 and 2. (a) In so far as the Department of Transport is concerned: Additional minimum interim facilities are planned at Montreal International Airport to cater to increased traffic and the introduction of Jumbo Aircraft in the period 1969-1972. The estimated cost of such interim facilities to be constructed in 1969, 1970 and 1971 is $9,200,000; (b) In so far as Air Canada is concerned, Management advises as follows:—

The following Maintenance and Overhaul facilities form part of the approved 1968 Air Canada Capital Budget, although construction has not yet commenced:—

Project	Cost	Year of Completion
Expansion of Power Plant Shops, Unit Shops and Support Shops	$ 2,800,000	1969
New Line Maintenance Hangar	$21,200,000	1971

Certain other requirements are presently under study and may be developed for Dorval and Malton and other points on the system but are not yet in a firm stage.

3 and 4. (a) In so far as the Department of Transport is concerned, at Vancouver some modifications are anticipated to the holdrooms and apron of the air terminal to accommodate the first Jumbo Aircraft at an estimated cost of $600,000 to be completed by 1971. (b) Canadian Pacific Airlines are constructing a large maintenance base at Vancouver Airport for completion in April, 1969, at an estimated cost of $20,000,000. In so far as Air Canada is concerned, Management advises it is planned to construct a new Maintenance Hangar and associated facilities at Vancouver for completion in 1971, at an estimated cost of $9,200,000.

[Mr. Benson.]

TESTING OF ARTIFICIAL GRAVEL

Question No. 1,137—**Mr. Mather:**

Is the Road and Motor Vehicle Traffic Safety Office giving consideration to testing "artificial gravel" a substance used in improving highway safety by grading dangerous curves?

Hon. Paul Hellyer (Minister of Transport): As indicated in my announcement of October 17, 1967, outlining the responsibility of the Department of Transport in the field of motor vehicle and highway safety, the new office will have responsibility for program co-ordination and the establishment of safety standards. Therefore, the Road and Motor Vehicle Traffic Safety Office will not itself undertake tests on "artificial gravel" or similar road building materials.

The Road and Motor Vehicle Traffic Safety Office is closely following the progress of tests currently being made by a number of agencies, including some provincial government departments and particularly those relating to skid resistance of pavement surfaces to traffic accidents. The relationships between aggregate texture, polishing and skid resistance have not as yet been completely evaluated.

CAR PERFORMANCE INFORMATION

Question No. 1,138—**Mr. Mather:**

Is consideration being given to requiring car manufacturers to inform car owners at the point of sale of the car's performance in such areas as (a) vehicle stopping distance (b) driver field of view (c) acceleration and passing ability (d) overall steering ratio (e) flammability of materials in car interiors?

Hon. Paul Hellyer (Minister of Transport): The Department of Transport is not at present considering the need for providing vehicle performance capability information to automobile purchasers. The new Office on Road and Motor Vehicle Traffic Safety in the Department is, however, concerned with safety standards for new vehicles at the point of manufacture.

Officials of my Department are closely following the discussions in the United States on proposals which would require providing such information to automobile purchasers at the point of sale. There is some question regarding the real ultimate value of the knowledge that would be made available, quite apart from the difficulty of standardizing the manner in which it could be most usefully presented.

INVESTIGATION OF CAR REPAIR INDUSTRY

Question No. 1,139—**Mr. Mather:**

Is consideration being given to investigating alleged high cost and low quality of the car repair industry?

Hon. Paul Hellyer (Minister of Transport): The Department of Transport does not have authority to undertake the type of investigation implied in the question.

The car repair industry is highly localized, hence any action that might initially be taken would be on the municipal or provincial government level.

AMHERST, N.S.—ENLARGEMENT OF FEDERAL BUILDING

Question No. 1,140—**Mr. Coates:**

1. Is it the intention of the government to enlarge the Federal Building in Amherst, Nova Scotia, that houses the facilities of the Post Office Department?

2. Have final plans been completed for the proposed extension and, if not, when will final plans be completed in this regard?

3. If final plans for the extension have been completed, what will be involved in the proposed extension of facilities and will the government require additional lands in order to carry out the proposed extension and, if so, how much additional land will be required?

4. On what date were plans initiated for the proposed extension and what have been the reasons for the substantial delays between the planning of the extension and the calling of tenders for the enlargement?

5. On what date does the government intend to call tenders for the extension to this federal building?

Hon. Arthur Laing (Minister of Public Works): 1. This matter is still under review.

2. No; not known.

3. Not applicable.

4. During 1967. The delays have been due to several changes in space requirements.

5. Not known.

AMHERST, N.S.—CONSTRUCTION OF FEDERAL BUILDING

Question No. 1,141—**Mr. Coates:**

1. On what date did the federal government first indicate its intention to construct a federal building in the Town of Amherst to house departments of the federal government now located in rented space?

2. What was the initial date indicated for the construction of this building and why have delays in the start of construction been recommended?

3. Have complaints been received by the government and, if so, from whom, over the delays in the construction of this building?

4. What is the present date for the initiation of construction of this building?

Hon. Arthur Laing (Minister of Public Works): 1. On February 14, 1966 when the 1966-67 Estimates were tabled.

2. During the 1967-68 fiscal year. The delays are due to a number of successive changes in space requirements by the occupying departments.

3. Not by the Department of Public Works.

4. No date has been set.

INCLUSION OF WOMEN IN CABINET

Question No. 1,148—**Mr. Mather:**

Is consideration being given to facilitating governmental rapport by the inclusion of women in the Cabinet?

Right Hon. P.-E. Trudeau (Prime Minister): The facilitation of governmental rapport by appropriate and effective means is constantly being considered.

PURCHASE OF DUMP TRUCKS

Question No. 1,154—**Mr. Marshall:**

In the contract for the purchase of dump trucks from F.W.D. Corporation (Canada) Ltd. for $51,718.92 (a) how many trucks were involved (b) was the purchase made by tender (c) what firms tendered (d) what were the amounts of each tender (e) for what purpose were the trucks purchased?

Hon. Paul Hellyer (Minister of Transport): (a) 2; (b) yes; (c) and (d) International Harvester Co. of Canada, Ottawa $21,456.87 and $28,749.84 and F.W.D. Corporation, Kitchener $21,574.84 and $30,193.08.

In both instances the lower offers of International Harvester Company of Canada were bypassed as the equipments offered did not meet the departmental specifications; (e) snow removal operations at St. John's and Gander Airports, Newfoundland.

NATIONAL DEBT

Question No. 1,155—**Mr. Matte:**

1. What is the total amount of Canada's national debt?

2. What part of this debt can be attributed to Canada Savings Bonds?

3. What part of this debt can be attributed to Victory Bonds?

Questions

4. What was the proportion of the savings bonds bought by individuals?

5. What was the proportion bought by financial institutions?

Hon. E. J. Benson (Minister of Finance): 1. As at January 15, 1969 the total amount of Government of Canada Direct and Guaranteed Debt outstanding was $23,574 million.

2. Of this amount, Canada Savings Bonds accounted for $6,361 million.

3. At December 31, 1968 there were $6,892,000 of matured Victory Bonds outstanding. This total is included in 1 above.

4. Due to the very large sales volume of the 1968/69 Canada Savings Bond Series, the register is still in the process of being prepared and consequently it is not possible at this time to differentiate quantitatively between Canada Savings Bonds bought by individuals and by institutions. However, it is known that individuals account for the great majority of purchases.

5. Not available.

OLD AGE SECURITY RECIPIENTS OUTSIDE CANADA

Question No. 1,156—**Mr. Godin:**

1. What is the total number of Canadians outside Canada who are recipients of Old Age Security?

2. What is the total number in (a) the United States (b) Britain (c) Europe (d) Poland (e) Russia (f) other countries?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1. For November 1968, 13,290.

2. Statistics not available.

[*English*]

*UNIVERSITY SUPPORT FOR QUEEN ELIZABETH TELESCOPE PROJECT

Question No. 1,162—**Mr. Diefenbaker:**

1. Has there been a request from the Universities of Calgary, Alberta, Lethbridge, Victoria, British Columbia, Simon Fraser and Notre Dame to have consideration given to revive construction plans for the Queen Elizabeth telescope project?

2. If so, will the government give its support thereto and in particular will it agree to turn over the Mount Kobau assets to a consortium of the above and other universities?

Mr. R. J. Orange (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1. Yes.

[Mr. Matte.]

2. The matter is under consideration by the government at present.

CAMP BORDEN SITE FOR INTERNATIONAL AIRPORT

Question No. 1,163—**Mr. Noble:**

Has the government considered using the thirty square miles of Crown land at Camp Borden as a site for the proposed new international airport?

Hon. Paul Hellyer (Minister of Transport): The Department of Transport has not, as yet, undertaken a site selection program in connection with the new Toronto Airport. The Department is, however, aware of the existence of the Crown owned property in the Camp Borden area and this area will, along with others, be given consideration as a possible site.

DISTRIBUTION OF CANADA PENSION PLAN PAMPHLET

Question No. 1,165—**Mr. Aiken:**

1. How many copies were printed of the pamphlet "Canada Pension Plan—Contribution Tables No. 3—January 1, 1969" by the Department of National Revenue?

2. What is the approximate cost of printing and distributing this pamphlet?

3. Except for a slight adjustment in the maximum contribution, were there any changes from the 1968 pamphlet?

4. Why was the whole pamphlet reprinted, rather than noting the maximum change by circular?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1. 500,000 in English and 10,000 in French.

2. Cost of printing was approximately 9 cents per copy in English and 10 cents per copy in French. Distribution cost was approximately 5 cents per copy.

3. Yes. The examples shown on pages 9 and 10 of the booklet were revised and the instructions on pages 39, 40 and 41 were rewritten.

4. Changes in the instructions and examples were necessary in order to provide employers with up-to-date information. This could have been accomplished either by issuing a circular or by issuing a revised contribution table. It was decided to issue revised tables because it has been found that the use of inserts or circulars to update regulatory instructions has proven generally unsatisfactory.

INDUSTRIAL DEVELOPMENT BANK LOANS

Question No. 1,169—**Mr. Saltsman:**

What are the annual expenditures of the Industrial Development Bank in providing loans to Canadian business for the years 1963, 1964, 1965, 1966, 1967 and 1968?

Hon. E. J. Benson (Minister of Finance): The annual operating expenses and debenture costs of the Industrial Development Bank in providing loans to Canadian business for the years 1963 to 1968 are shown on Pages 28 and 29 of the Annual Report of the President for 1968.

FAMILY ALLOWANCE AND OLD AGE SECURITY PAYMENTS

Question No. 1,173—**Mr. Matte:**

1. What is the total amount of Family Allowances paid in each of the provinces of Canada?

2. What is the total amount of Old Age Security pensions paid in each of the provinces of Canada?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1. For November, 1968:

	$
Newfoundland	1,423,269
Prince Edward Island	263,276
Nova Scotia	1,774,243
New Brunswick	1,528,242
Quebec	13,608,792
Ontario	15,783,205
Manitoba	2,106,406
Saskatchewan	2,201,125
Alberta	3,637,256
British Columbia	4,236,107
Northwest Territories and Yukon	123,564

2. For November, 1968:

	$
Newfoundland	2,634,159
Prince Edward Island	1,029,203
Nova Scotia	5,653,300
New Brunswick	4,235,034
Quebec	29,631,102
Ontario	45,180,463
Manitoba	7,200,096
Saskatchewan	7,083,044
Alberta	8,470,984
British Columbia	14,751,901
Northwest Territories and Yukon	101,389

[*English*]

ACQUISITION OF ST. PIERRE AND MIQUELON

Question No. 1,180—**Mr. Robinson:**

Has the federal government considered the advisability of acquiring the island group of St. Pierre and Miquelon which are located within the territorial waters of Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The answer to the question is in the negative. I might point out that the islands of St. Pierre and Miquelon are not located within the territorial waters of Canada. They were ceded to France by Great Britain under the Treaty of Versailles of September 3, 1783, and comprise part of the Overseas Territories of France.

CANADIAN UNITS IN NATO AND NORAD

Question No. 1,186—**Mr. Robinson:**

1. Are the units forming Canada's commitment to (a) Norad (b) Nato, up to establishment strength and, if not, to what extent?

2. Are the Canadian Forces up to establishment strength at the present time, and, if not, what is the present requirement to bring establishment up to strength and when is it anticipated this will be brought about?

3. Does the government propose any incentives (a) to encourage enlistment in the Canadian forces (b) to retain present members of the Canadian Forces?

Mr. D. W. Groos (Parliamentary Secretary to the Minister of National Defence): Attention is directed to Minutes No. 14 of the Standing Committee on External Affairs and National Defence, dated November 21, 1968. 1. The units forming Canada's commitment to (a) NORAD and (b) NATO, with the exception of one destroyer escort, which is due to go into refit shortly, are manned to meet present commitments.

2. No, the present total establishment figure is a little over 103,000 and actual strength at the end of November was 99,064, so that there is a shortage of approximately 4,000 overall in relation to the establishment. The manning ceiling, however, has been set at 98,000 for the current year.

3. (a) and (b) Every effort is made to ensure that wages are comparable to those paid in industry for similar employment, that there is the real prospect of an acceptable career, and a fringe benefits package sufficient to offset the many disadvantages of service life.

Questions

READER'S DIGEST CONDENSED BOOK CLUB

Question No. 1,192—**Mr. Anderson:**

Has the Minister of Consumer and Corporate Affairs been in communication with the Reader's Digest Company concerning any complaints received by his Department about the manner in which the Reader's Digest Condensed Book Club membership scheme is operated and, if so, has the Minister made representations to the Reader's Digest Company protesting the Company's policy of informing members of the public without solicitation that they have become trial members of the plan and billing them accordingly?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The Minister of Consumer and Corporate Affairs, through his departmental officers, has been in communication with the Reader's Digest Company concerning their Lucky Number Draw Promotion mailings.

The Minister has not made representations to the Reader's Digest Company protesting the company's policy of informing members of the public without solicitation that they have become trial members of the plan and billing them accordingly, because the Company has stated that they never, under any circumstances, enter a trial membership, or send merchandise without having first received a positive response to advertising material.

ESQUIMALT HARBOUR POLLUTION ABATEMENT

Question No. 1,205—**Mr. Anderson:**

Has the Department of National Defence completed the 1st phase of its pollution abatement program for Esquimalt Harbour mentioned on page 22 of the 1966 Report of Associated Engineering Services Ltd. on pollution in the Greater Victoria area?

Mr. D. W. Groos (Parliamentary Secretary to the Minister of National Defence): The first phase of the Department of National Defence's pollution abatement program provides for the collection of all sanitary wastes originating in HMC Dockyard Esquimalt, and their delivery to the municipal sewage system. This work is programmed for completion in 1970-71.

ESQUIMALT HARBOUR, B.C.,—DISCHARGE OF ACID WASTES

Question No. 1,206—**Mr. Anderson:**

1. Are acid wastes from the plating shop at HMC Dockyard, Esquimalt Harbour, B.C., being discharged without treatment into the water near the Pacific Naval Laboratory?

2. If so, what measures does the government intend to take to reduce this pollution?

[Mr. Groos.]

Mr. D. W. Groos (Parliamentary Secretary to the Minister of National Defence): 1. No, acid wastes from the plating shop are diluted and neutralized before being introduced to the sewage system. However, it is an acknowledged fact that sanitary wastes are being discharged, without treatment, into the waters adjacent to HMC Dockyard, Esquimalt.

2. See reply to Question No. 1,205.

PRIMROSE LAKE, SASK.,—REVOCATION OF FISHING PRIVILEGES

Question No. 1,218—**Mr. Diefenbaker:**

1. On what date did the Department of National Defence revoke the privileges accorded to residents of the area who for years fished in Primrose Lake, Saskatchewan?

2. By whom, and for what reasons, was the decision to revoke these privileges made?

3. For how many years prior to this decision had these privileges been in effect?

4. Was there any consultation before the decision was made by the Department of National Defence with the Federal Department of Fisheries and/or the Government of Saskatchewan?

5. If so, what was the advice received from the Department of Fisheries?

Mr. D. W. Groos (Parliamentary Secretary to the Minister of National Defence): 1. On 1 April 1954, the privileges of local residents to fish in Primrose Lake were suspended when the lake was reserved for use as an air weapons range.

2. An agreement was reached between the Government of Canada and the Government of Saskatchewan to suspend the granting of fishing privileges because safe operation of the air weapons range would not permit fishing to take place.

3. This is unknown as the licensing authority was The Fisheries Branch of the Saskatchewan Department of Natural Resources.

4. and 5. Yes. Under the terms of the agreement with the Government of Saskatchewan, the Federal Government paid compensation to fishermen who held licenses and, inter alia, reimburses the Province annually for the loss of revenue from fish.

OFFICIAL LANGUAGES AT PRIME MINISTERS MEETINGS

Question No. 1,221—**Mr. Matte:**

Does the government intend to request that French be declared one of the official languages

at the meetings of the Prime Ministers of the Commonwealth?

[*Translation*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): No.

[*English*]

BANKRUPTCY ACT REVISION

Question No. 1,238—**Mr. Fortin:**

1. What is the present stage of the work of the committee in charge of revising the Bankruptcy Act?

2. When will the new Act be introduced?

3. How many bankruptcies were there, by province, for each of the last six months?

4. What steps are being taken by the government to prevent fraudulent bankruptcies?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. I am advised that the Committee in charge of revising the Bankruptcy Act expects to have its report as well as a draft Bill revising the Bankruptcy Act ready by the end of the present year.

2. As soon as the report of the Committee is available, it will receive my immediate attention.

3. See attached Schedule.

4. In July of 1966, important amendments to the Bankruptcy Act were passed by Parliament which, among other things, empowered the Superintendent of Bankruptcy to investigate cases where it is suspected that offences to the Bankruptcy Act, the Criminal Code or any other Act of the Parliament of Canada have been committed.

The Office of the Superintendent of Bankruptcy was subsequently reorganized and regional offices were opened in Montreal, Toronto and Vancouver which are staffed with professional accountants and investigators. In addition, the Superintendent of Bankruptcy makes extensive use of the services of the R.C.M. Police.

The complaints received by the Superintendent of Bankruptcy in 1968 totalled 279. Of these, 56 were referred to the R.C.M. Police for investigation while 223 were handled by the staff of the Bankruptcy Branch. During 1968, a total of approximately 50 charges were laid on behalf of the Superintendent of Bankruptcy in matters relating to bankruptcy.

BANKRUPTCIES AND PROPOSALS UNDER THE BANKRUPTCY ACT BY PROVINCE FOR EACH OF THE LAST SIX MONTHS

	July 1968		August 1968		Sept. 1968		Oct. 1968		Nov. 1968		Dec. 1968		Total	
	Bank.	Prop.	Bank.	Prop.	Bank.	Prop.	Bank.	Prop.	Bank.	Prop.	Bank.	Prop.	Bank.	Prop.
Newfoundland	—	—	—	—	—	—	—	—	1	—	1	—	2	—
Prince Edward Island	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nova Scotia	1	—	2	—	2	—	1	—	—	—	—	—	6	—
New Brunswick	2	—	3	—	2	—	3	—	3	—	2	—	15	—
Quebec	113	9	112	15	151	16	165	21	153	18	130	15	824	94
Ontario	117	1	92	5	121	4	125	4	130	1	139	3	724	18
Manitoba	7	1	4	—	3	—	10	1	8	—	4	—	36	2
Saskatchewan	6	—	11	—	6	—	6	—	8	—	5	—	42	—
Alberta	6	—	14	1	5	—	13	—	7	—	8	—	53	1
British Columbia	14	—	11	3	14	—	13	—	27	—	17	—	96	3
TOTAL	266	11	249	24	304	20	336	26	337	19	306	18	1,798	118

QUESTION PASSED AS ORDER FOR RETURN

TRAVELLING EXPENSES FOR CABINET MINISTERS

Question No. 1,062—**Mr. Beaudoin:**

During the fiscal years ending March 31, 1965, 1966, 1967 and 1968, what amounts were paid by the government in travelling expenses for each federal Cabinet Minister?

Return tabled.

ORAL QUESTION PERIOD

DOMINION-PROVINCIAL CONFERENCE

PREFERENTIAL POSITION TO DISCUSSION OF ECONOMIC MATTERS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. In view of the request made by several of the provincial premiers in western Canada that economic matters should be given priority over the other important matters to be discussed at the federal-provincial conference next week, is it the intention of the government to comply with this request?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, we have already complied with this request. If the hon. gentleman would look at the agenda that we have tabled, he would see that the matter of distribution of powers has a high place on the agenda and that within distribution of powers we specify fiscal matters and the spending power of the federal government.

I think it is important for the public to understand that the constitutional aspects of the spending power are really the ones that should be discussed. When the provinces are worried about the federal government's interfering—as they say—in certain provincial priorities, what they are really doing is calling into question the spending power as exercised for 100 years by the federal government. We are prepared to reopen discussion on this if and when the provinces want, except that we do believe that it is essentially a constitutional matter. We also believe that the provincial demands for discussing this matter can fit very easily within the agenda, which has been modified since November, to answer this demand by certain provinces.

Inquiries of the Ministry

Mr. Hees: Mr. Speaker, before I ask a supplementary question I would point out to the Prime Minister that naturally it was impossible for me to know what priority would be given—

Some hon. Members: Oh, oh.

Mr. Hees: —to economic matters because the program has just been—

Mr. Speaker: Order, please. The hon. member should ask his question.

OFFICIAL LANGUAGES

SUBMISSION OF BILL TO SUPREME COURT OF CANADA

Hon. George Hees (Prince Edward-Hastings): I should like to ask the Prime Minister a supplementary question. Is it the intention of the government to comply with the request of provincial premiers that the Official Languages Bill be submitted to the Supreme Court of Canada to test the constitutionality of several important parts of the bill?

Right Hon. P.-E. Trudeau (Prime Minister): On this, Mr. Speaker, we have already complied with the request of some provinces, that we de not proceed with the bill in the house until the federal-provincial conference. This compliance caused us to retard our intention to proceed with the bill last December and we have since kept postponing it. As the hon. member knows, the bill is ready and has been brought in for first reading. We are postponing consideration of it by the house until the federal-provincial conference, which is now only a week away.

Although we will hear further argument by the provinces, it is our hope that they will continue to give to the language question that amount of priority we all agreed to give it last February, and that there will be no objection to our proceeding with this bill, which we think is of extreme priority. If the provinces have some objection to a specific section of the bill, we would want to consider it; if there is no agreement then there is the possibility of the matter being referred to the house.

Replying to the hon. member's remark, I might add that I realize it is through no fault of his that the agenda could not be tabled until now. We had to wait until agreement was reached on the tabling date.

Inquiries of the Ministry

GRAIN

BOX CARS TO FACILITATE SHIPMENT

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, my supplementary question is this. Will the Prime Minister and the government give favourable consideration to the request of the western premiers for the appointment of a transport commissioner who would allocate box cars in order to try to improve the present situation in the shipments of wheat?

Mr. Speaker: Order, please. I am not sure that the hon. member has asked a supplementary question, but the Prime Minister, if he wishes to, might reply.

Right Hon. P.-E. Trudeau (Prime Minister): I agree with you, Mr. Speaker; I do not think this is a supplementary question. Certainly, it is not a matter to be raised at a constitutional conference. The hon. member might address this matter to the Minister of Transport, when it is that minister's turn to be in the house.

Mr. David Lewis (York South): Mr. Speaker, I wish to raise a question similar to the one just raised by the hon. member for Calgary Centre (Mr. Harkness). Despite the Prime Minister's suggestion that the matter ought to be referred to the Minister of Transport may I raise the question again. Since a telegram is alleged to have been sent to the Prime Minister by the premiers of the three prairie provinces asking for the appointment of a controller of transport, may I ask the Prime Minister whether he in fact received such a telegram and, if so, what answer he has given to it or intends to give to it?

Mr. Trudeau: Mr. Speaker, I received several telegrams this morning and I believe they all had to do with the economic matter raised by the hon. member for Prince Edward-Hastings (Mr. Hees). I sent out some telegrams to the premiers today asking permission to table the correspondence between them and myself on the agenda of the conference. I should add, too, that I will be answering their other telegrams as soon as I have had time to consider them.

Mr. Lewis: Am I to gather from the right hon. gentleman's answer that he has not yet seen the telegram I have referred to—the telegram that is alleged to have been sent to him? May I put the question this way, Mr. Speaker. In view of the seriousness of the situation can the Prime Minister inform the house whether he has turned his attention and the authority of his office to an attempt to solve the serious problem facing western grain on the west coast. If he has not considered the matter hitherto, will he undertake to do so immediately?

Mr. Trudeau: Mr. Speaker, I can assure the hon. member that when telegrams come in from premiers they are immediately directed to the departments of the ministers concerned. This has been done in the case of the Department of Transport. As for the aspect concerning constitutional matters, I have answered that already.

An hon. Member: The Prime Minister doesn't deal with telegrams himself.

Mr. Trudeau: Why do you think we have ministers.

Mr. Baldwin: We don't know, I am sure.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. Considering the Prime Minister's answer to the question asked about a controller of transport and considering that the Minister of Industry, Trade and Commerce has gone out to the west coast, may we ask if the Japanese ships now waiting in Vancouver will continue to wait for the loading of the 117,000 tons of wheat they are to carry. Also, can the Prime Minister assure the house that this market for wheat will not go to Australia?

Mr. Trudeau: Mr. Speaker, the Minister of Industry, Trade and Commerce is on the west coast today. I do not know that he is personally overseeing the loading of the ships, but he is out there to deal with this problem.

Mr. Woolliams: A further supplementary question, Mr. Speaker. Could the Prime Minister bring to the attention of the Minister of Transport that a considerable quantity of No. 1 wheat is on hand in Vancouver. Perhaps the Japanese food agency might accept that wheat, instead of No. 2. That way we will not lose that market.

Mr. Trudeau: Mr. Speaker, I will bring the attention of the minister to this point. I am glad to see that, contrary to the opinion of the leader of the New Democratic party, the hon. member thinks that some tasks can be performed by ministers. I do not think I will need to go out to the west coast myself to perform this task.

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. Has the Prime Minister been advised of

the fact that Japan has cancelled its order of wheat, due to the fact that Canada seems unable to supply the wheat to Japan that is required.

Mr. Trudeau: No, Mr. Speaker.

[*Translation*]

POST OFFICE DEPARTMENT

INQUIRY RESPECTING CLOSING OF OFFICES

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Postmaster General.

Following the numerous complaints we are receiving regarding the closing of post offices, could the minister tell us whether he thinks rural mail delivery replace advantageously the post offices which have been closed?

Mr. Speaker: Order. The hon. member is asking for an opinion from the Postmaster General and I do not think his question is acceptable.

[*English*]

EXTERNAL AFFAIRS

MAINLAND CHINA—TALKS IN CAIRO AS TO RECOGNITION

Right Hon. J. G. Diefenbaker (Prince Albert): I would direct my question to the Prime Minister. My question is in connection with a news report today to the effect that communist China is willing to have talks in Cairo on the question of recognition, provided Canada cuts off diplomatic relations with the republic of China. I ask the Prime Minister whether that is so, or whether he intends to carry out the undertaking he gave on March 5, 1968. He said in Vineland, Ontario that an invitation would be given to recognize communist China, and stated "They would probably say no unless we agreed to break relations with Taiwan. We wouldn't do that."

Hon. Mitchell Sharp (Secretary of State for External Affairs): May I answer the first part of the question, Mr. Speaker?

Mr. Diefenbaker: I want the Prime Minister to answer.

Mr. Sharp: There is no substance whatever to the news report. There has been no contact anywhere in the world with the People's Republic of China. This report is quite unfounded.

Mr. Diefenbaker: Whether unfounded or not, will the government of Canada carry out the undertaking given by the Prime Minister, that if communist China insists on discontinuance of relations by Canada with Taiwan—

Mr. Speaker: Order, please.

Mr. Diefenbaker: —will the government—

Mr. Speaker: Order, please. The supplementary question asked by the right hon. member for Prince Albert appears to be hypothetical, in view of the reply given by the Secretary of State for External Affairs.

Some hon. Members: No, no.

Mr. Diefenbaker: Mr. Speaker, I very seldom rise. With deference, this time I do. It all depends where the punctuation is, if it is in the right place. What I am asking the government is this: are they going to keep the undertaking that was given by both the Prime Minister and the Secretary of State for External Affairs that there would be no breaking of relations with Taiwan as a condition for the recognition of communist China?

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The Prime Minister should answer it.

Mr. Hees: We want you.

An hon. Member: There's no election; it doesn't matter who answers.

Mr. Sharp: Mr. Speaker, the question which is in issue of course is who speaks for the government of China?

Some hon. Members: Hear, hear.

An hon. Member: Who speaks for the government of Canada?

Mr. Sharp: There is no question about who speaks for the government of Canada: It is the Prime Minister.

Mr. Hees: Well let him speak.

Mr. Sharp: May I deal with the question asked by the right hon. member. The question of the hon. member is, which government of China do we recognize?

Mr. Diefenbaker: No, no.

Inquiries of the Ministry

Mr. Sharp: The question is this, if we recognize the People's Republic of China as the government of China, will Taiwan accept that position?

Mr. Diefenbaker: I ask the Secretary of State for External Affairs, did he on May 19 last say this: "We won't sacrifice our relations with the government of Taiwan to do it."?

Mr. Speaker: Order, please.

Mr. Diefenbaker: In other words, to recognize—

Mr. Hees: Did you say it or not?

Mr. Speaker: I am not sure of the right hon. member's punctuation, but I have the impression that when he asked the minister to confirm or deny a statement made outside the house—

Mr. Hees: Let's hear from the Prime Minister!

Mr. Diefenbaker: I will reword my question. Does the minister still believe and agree there should be no recognition of communist China, if as a condition there is going to be any sacrifice of the government of Taiwan?

Mr. Sharp: Mr. Speaker, I can only repeat what I said before—

Mr. Diefenbaker: Which is nothing.

Mr. Sharp: —that if the government does recognize the People's Republic of China as the government of China, relations between Taipei and Canada will of course be affected, since the government of the republic of China does claim jurisdiction over the whole of China, and we cannot have two conflicting authorities.

Mr. Diefenbaker: Who is going to be sacrificed?

Mr. G. W. Baldwin (Peace River): Can the minister assure the house that no substantial discussions will be entered into unless there is an assurance from the Peoples' Republic of China that there will be adherence to the nuclear non-proliferation treaty?

Mr. Sharp: No, Mr. Speaker. There are many countries with which we have very good relations that, unfortunately, have not yet adhered to that treaty.

[Mr. Diefenbaker.]

HOUSING

REQUEST FOR RECOMMENDATIONS FOLLOWING REPORT OF TASK FORCE

Mr. Andrew Brewin (Greenwood): I would like to address a question to the Prime Minister. On Wednesday last the Minister of Transport tabled the report of the task force on housing and stated he would shortly place before the government what he regarded to be urgent recommendations arising out of that report. Can the Prime Minister tell the house how soon we can expect a statement from the government on this matter?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker. The Minister of Transport who is responsible for housing did state that he would submit to cabinet a memorandum which would express his views as to what should be done and in what sequence. He has not done that yet. He is working on it.

Mr. Brewin: Can the Prime Minister say whether the government is at present considering the recommendation as to a minister responsible for housing?

Mr. Trudeau: No, Mr. Speaker. I repeat that this task force report will be translated by the Minister of Transport into a document to be submitted to cabinet, expressing his policy as he wants it considered by cabinet at this time.

CONSUMER AFFAIRS

POSSIBILITY OF CHANGES IN ADVISORY COUNCIL

Mr. James A. McGrath (St. John's East): My question is directed to the Minister of Consumer and Corporate Affairs. Is the minister prepared to make the necessary changes in the Canadian consumer council, in light of critical remarks made by the chairman of that recently formed advisory council, wherein he said, "The 24 members—"

Mr. Speaker: The hon. member must ask his question directly. He cannot quote a statement made outside the house in order to advance a proposition.

Mr. McGrath: I will rephrase my question. Does the minister plan to change the make-up of the council, in light of the criticism of its chairman?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker.

Mr. McGrath: A supplementary, Mr. Speaker. Does the minister not agree, because of the critical remarks of the chairman—

Some hon. Members: Order, order.

Mr. Speaker: The supplementary question is argumentative.

EXTERNAL AFFAIRS

MIDDLE EAST—EXTENSION OF PRIVILEGES TO JEWISH REFUGEES

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Secretary of State for External Affairs. Will the government extend to Jews of Lebanon, Syria, Iraq and Egypt privileges similar to those granted to the refugees from the invasion of Czechoslovakia?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have received representations on this question from various individuals, and these are under consideration. I am informed today that the Canadian Jewish Congress will be making some formal representations which will receive serious consideration.

VETERANS AFFAIRS

SUBMISSION OF WOODS REPORT TO STANDING COMMITTEE

Mr. Lloyd Francis (Ottawa West): Can the Minister of Veterans Affairs advise when he or the government intends to take action on the recommendations of the Woods Committee report respecting the organization and work of the Canadian Pension Commission? Can he say when he intends to refer this report to the Standing Committee on Veterans Affairs?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Yes, Mr. Speaker. I am very pleased to advise the hon. member and the house that at the present time we are preparing a white paper respecting veterans pensions and the Woods committee recommendations. This white paper is being given high priority and we expect later on this session to be able to refer both the white paper and the Woods Committee report to the House of Commons committee.

NATIONAL DEFENCE

ZAMBIA—CANADIAN MILITARY INSTRUCTORS

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I wish to direct a question to the Prime Minister. Has an actual or tentative agreement been reached with Zambia for Canada to supply that country with military training instructors and other defence help?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I believe there has been an agreement in existence for some time whereby we do extend certain training facilities to Zambia and to the Zambian army.

Mr. Harkness: As a supplementary question, at the Commonwealth Prime Ministers Conference did the Prime Minister discuss this matter with the Prime Minister of Zambia, and assure him of further or increased support along this line?

Mr. Trudeau: No, Mr. Speaker, the matter was not discussed, and I shall have to check my own memory as to whether it is Zambia or Tanzania with whom we have this agreement.

[*Later:*]

Mr. Trudeau: Mr. Speaker, I think I should refer again to the question asked me by the hon. member for Calgary Centre. I said I would check my memory. I have checked my memory and the answer is that there is no agreement with Zambia. I also remember that I have not discussed that subject with the President of Zambia.

DOMINION-PROVINCIAL CONFERENCE

ESTABLISHMENT OF PERMANENT SECRETARIAT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Prime Minister. On the agenda he tabled a few moments ago concerning the Federal-Provincial Conference next week there is an item called "mechanism of federal-provincial relations." Does this envisage discussions for the establishment of a permanent federal-provincial secretariat based in Ottawa?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the general subject of the mechanism of federal-provincial relations is one of the subjects on the agenda.

Mr. Lambert (Edmonton West): That is obvious, Mr. Speaker, but I am asking whether the federal government would propose the establishment of a permanent federal-provincial secretariat based in Ottawa?

Mr. Trudeau: When I spoke of machinery, Mr. Speaker, I of course covered that subject; but there will be mention of that. There will

be some suggestion of it because, as I say, it is covered in the agenda. It is not, however, one of the subjects that has been studied in detail by the continuing committee of officials and therefore it will not take a high place on the agenda.

Mr. Lambert (Edmonton West): I notice it is the last item on the agenda.

HEALTH AND WELFARE

MANITOBA—OPTOMETRIC AND CHIROPRACTIC SERVICES IN MEDICARE PLAN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of National Health and Welfare whether he is now in a position to answer my question of last Thursday, and perhaps comment further on my question of last Monday. On Thursday I asked him about Manitoba, the government of which has announced that optometric and chiropractic services will be included in its medicare program. Is the federal government participating in this phase of the program, and what is the present status of these other services under the medicare act?

Hon. John C. Munro (Minister of National Health and Welfare): As far as I am aware, Mr. Speaker, there is not the degree of consensus that is required between the federal government and the provincial governments to widen the coverage of services under the medicare act. I would also say, certainly as far as the federal government is concerned, that our priority would be to get as many provinces as possible into medicare under its present terms.

Mr. Knowles (Winnipeg North Centre): Can the minister answer the question about Manitoba? Is the federal government going to participate in that part of the program in Manitoba?

Mr. Munro: No, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

ATLANTIC DEVELOPMENT BOARD

CONTINUATION OF FUNCTIONS BY NEW BODY

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Minister of Regional Development to be. On January 27 the minister said that the role of the Atlantic Development Board would be changed. Can he say whether the present functions and responsibilities of this board will continue to be assumed by any newly structured body?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, as soon as the bill is introduced in the house, the hon. member will see what new powers are granted to the Atlantic Development Board.

[*English*]

Mr. Lundrigan: Mr. Speaker, I should first ask when we can expect the legislation, but that is a redundant question. Can the minister assure us that the present functions in relation to research and education assumed by the A.D.B. will continue to be assumed, held constant, or increased?

Mr. Speaker: It seems to me that the second question asked by the hon. member has been answered by the minister.

Mr. Lundrigan: Mr. Speaker, I wish to direct a further supplementary question to the Prime Minister. Bearing in mind the substantial evidence given by distinguished writers, economists and educators, showing the positive correlation between national economic development and human resource development can the Prime Minister say whether the federal government intends to expand its role in human resource development?

Mr. Speaker: I would think the hon. member's second supplementary question is wide in its scope and is the type which asks for a policy statement. I suggest to him that it should not be asked at this time.

Mr. Lundrigan: May I rephrase my question and ask whether attention will be focused on the role of the federal government in human resource development at the impending federal provincial conference? I am sorry I do not have access to the agenda.

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker, the subject of regional disparities and regional development is one item on the agenda to which we attach great importance.

Mr. Lundrigan: Mr. Speaker, perhaps my question was misinterpreted by the Prime Minister. It was with relation to human resource development, not regional development. It is an important matter, Mr. Speaker.

Mr. Speaker: It must be, to justify all these questions.

[*Later:*]

Mr. Lundrigan: Mr. Speaker, earlier during the question period I asked the Prime Minister about the focus of federal attention on human resources development and he apparently was preparing an answer. I wonder whether it might be forthcoming at the moment?

Mr. Trudeau: The hon. member is right, Mr. Speaker. I was considering an answer but I do not think the hon. member will find it very helpful. Human resources in so far as they concern educational matters are mainly within the jurisdiction of the provinces. There is an item on the agenda that is concerned with the division of powers between the federal and provincial governments, and to this extent we will be considering the subject; but it will not be a subject of immediate concern.

Mr. Lundrigan: Mr. Speaker, if the Prime Minister gets a few spare moments I will be glad to coach him on some of the latest authorities in the field of education. Perhaps he could advise—

Mr. Speaker: Order, please.

FISHERIES

DISCUSSION ON CONSERVATION OF RESOURCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the decline in the groundfish resources in the North Atlantic, is it the minister's intention to convene an early conference on the law of the sea in order to discuss the conservation of fishing resources at the international level with other fishing countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is my understanding that such a conference may shortly be organized. There are a number of countries that have the same concern as we have about this. I cannot say for certain whether it relates specifically to the Atlantic ocean, but I know that on the Pacific ocean there has been a great deal of concern. It may be a conference dealing with all the oceans.

Mr. Crouse: As a supplementary question, Mr. Speaker, is the minister giving any thought to placing the matter of world fishing conservation problems on the agenda of the United Nations, with a view to inviting the United Nations to be responsible for the control and development of all fisheries on the high seas?

Mr. Sharp: I will certainly take this suggestion into consideration. At the last meeting of the General Assembly questions about the law of the sea and general resource conservation were very high on the agenda, and I shall take this into account for the next meeting of the General Assembly.

POST OFFICE DEPARTMENT

DISPUTE WITH LETTER CARRIERS UNION—DOWNWARD RATES REVISION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I direct a question to the Postmaster General, whom I welcome back from his peripatetic seminar. Is he now in a position to say whether the government is any closer than it was last week to resolving the points of dispute with the Letter Carriers Union?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I would hesitate to make a statement on that subject at the moment because I am having a meeting tomorrow with the presidents of the national unions.

Mr. Macquarrie: As a supplementary question, in light of protests by the leader of one of the important political parties in Ontario that his party's publication will be "walloped" by increased postal rates, and in light of similar protests by the Canadian Labour Congress and the Canadian Federation of Agriculture will the minister say whether he is giving consideration to proposing a downward revision of the rates due to be imposed on April 1?

Mr. Kierans: Mr. Speaker, the hon. member knows that the answer to that is no.

EFFECT OF RATE CHANGES ON NON-PROFIT PUBLICATIONS

[*Later:*]

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I should like to ask the Postmaster General what action if any the government intends to take to ensure that non-profit publications do not become the unintended victims of government action to increase postal rates?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I think all of us who have non-profit organizations particularly at heart will be aware of the fact that their deficits or costs will be going up somewhat, and we will be prepared to take this into consideration when we furnish our support individually.

Inquiries of the Ministry

CANADA CORPORATIONS ACT

DICKERSON REPORT RESPECTING CHANGES IN ACT

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. Has the task force headed by Professor Robert Dickerson reported to the minister with respect to its recommendations for changes in the Canada Corporations Act and can he state whether the report of the task force will be made public?

Mr. Speaker: I have some doubts as to the urgency of the question asked by the hon. member, but having been asked perhaps the minister might want to reply to it.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, Professor Dickerson has made a report to me. He is still working for me on recommendations for further revisions of the Corporations Act. What will be made public are the amendments to the Corporations Act, which will be tabled in the house.

Mr. Burton: Is the minister prepared to make available the names of the team of experienced businessmen and lawyers who have been asked to comment on proposed changes to the act as reported in the *Financial Post* of January 6?

Mr. Speaker: Order, please. This question should be placed on the order paper.

[*Translation*]

EXHIBITIONS

INQUIRY AS TO CONTINUING "MAN AND HIS WORLD"

Mr. Henri Latulippe (Compton): Mr. Speaker, I wish to put a question to the Prime Minister.

Would he say to the house whether the government intends to co-operate with Quebec, if the latter decided to continue the operation of "Man and His World"?

Right Hon. P.-E. Trudeau (Prime Minister): It seems rather hypothetical to me, Mr. Speaker, but if such was the decision of Quebec, we would surely be ready to consider the matter with them.

[*English*]

TRANSPORT

CONSTRUCTION OF NORTHUMBERLAND CAUSEWAY

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, my question is for the right hon. Prime Minister and it is the same one I attempted to ask him last week. I spent the weekend revising it. Will the government be proceeding with the construction of the Northumberland Strait Crossing, and in answering I wish the Prime Minister would please not beat around the bush.

[Mr. Kierans.]

Mr. Speaker: Order, please. The hon. member did not work hard enough.

Mr. McQuaid: I wonder whether I might try once more, Mr. Speaker? I now ask the Prime Minister whether the government will be proceeding with the construction of the Northumberland Strait Crossing?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, there will be a policy announcement on this in due course.

SHIPPING

SAINT JOHN, N.B.—PLIGHT OF CREW OF GREEK FREIGHTER

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, in view of the absence of the Minister of Transport, the first and second acting ministers, and the fact that I will be absent tomorrow I wonder whether I may leave this important question with someone. Has the federal government any responsibility for the Greek freighter at Saint John, New Brunswick, the crew of which has no heat, no food, no water and no money, and they are nearly all sick? If it does have a responsibility, what is the federal government doing about it?

Right Hon. P.-E. Trudeau (Prime Minister): It has been left with someone, Mr. Speaker.

THE GOVERNOR GENERAL

CONSENT OF THE QUEEN TO MAKE STATE VISITS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, arising out of a press release issued by the Prime Minister to the effect that His Excellency the Governor General will be making what are described as state visits to Jamaica, Guyana, Barbados, Trinidad and Tobago, I should like to ask the Prime Minister whether Her Majesty's consent has been given to these state visits, in view of the fact that the Governor General exists constitutionally only because there is a Queen to be represented?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker, I communicated with the Queen, I believe a week or two ago, to ask her consent, and I assume consent has been given. I will check on that. It certainly will be given—it most likely will be given before the Governor General departs.

Mr. Diefenbaker: As a matter of fact, he cannot depart without it.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. René Matte (Champlain): Mr. Speaker, I would like to ask the right hon. Prime Minister a question.

As some provincial premiers have done, has he accepted to become a member of the Canadian loyalist movement?

[*English*]

NORTHWEST TERRITORIES

TOUR OF PRIME MINISTER BY DOGTEAM

Mr. Jack Cullen (Sarnia): Mr. Speaker, alluding to my hon. friend across the house, I have not had the weekend to prepare this question but I have had a week of forty below zero weather to think about it. Recognizing that it is not possible for the Prime Minister to accept the invitation of Duncan Pryde, a Northwest Territories councillor, to spend three to four months touring the Northwest Territories by dogteam to visit Eskimo settlements, would he consider making such a visit if a route were mapped out which would take only four to five days?

Mr. Speaker: Order, please.

RURAL DEVELOPMENT

P.E.I.—REQUEST FOR STATEMENT OF ECONOMIC PLANS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, will the Ministry of Forestry and Rural Development advise whether he has had conversations today with the Premier of Prince Edward Island regarding the economic plans and has he, hopefully, an announcement in this regard?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Yes, Mr. Speaker, I met the premier of Prince Edward Island.

[*English*]

TELEVISION

SUDBURY, ONT.—COMMUNITY ANTENNA LICENCE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, before you call orders of the day perhaps I may ask the Secretary of State how soon it is expected that a decision will be made by the Canadian Radio Television Commission into applications for community antenna licences in the town of Sudbury and other areas?

Mr. Speaker: I am not sure this matter is one of urgency, and I should think the matter might be placed on the order paper or debated at the time of adjournment.

GOVERNMENT ORDERS

• (3:00 p.m.)

AERONAUTICS ACT

AMENDMENTS RESPECTING DEFINITION, REGULATIONS, ETC.—REPORT STAGE

The house proceeded to the consideration of Bill S-14, to amend the Aeronautics Act, as reported (without amendment) from the Standing Committee on Transport and Communications.

Mr. G. W. Baldwin (for Mr. Nesbitt) moved:

That clause 10 be added as follows:

"10. The said act is further amended by adding thereto the following section:

13A. Any regulation, order or direction made under this act shall be filed with and considered by the standing committee of the House of Commons on Transport and Communications within one year of coming into force."

He said: This amendment will be the precursor of a number of amendments of this nature which we in Her Majesty's Loyal Opposition will have occasion to move in respect of legislative proposals such as that contained in the amendment to the Aeronautics Act. During this first parliament since the election of June 25, which began in September, we have passed a number of bills. An examination of these bills would indicate the extent to which this government is moving aggressively and with determination to take more and more rights from parliament by way of granting powers to the government, various tribunals and boards, to legislate, to enact enactments of a prohibitory nature and the penalties in this respect. During the

course of this parliament we see this being done more and more. We intend to file a caveat that in our view the government has been going too far and too fast.

I shall not attempt to breach the rules, but in support of the hon. member's amendment and the valid reasons behind it I simply want to call the roll of the bills which have gone through this house, some of which have been passed by parliament and others being in various stages of the legislative machine, having been given second reading by the House of Commons. For example, the post office bill gave vast, new powers, and from an examination of the steps taken in the debate in the house indicated that the Postmaster General (Mr. Kierans) already had very considerable powers to change postal rates and make variations and alterations in the vested rights of people. Almost half of what is proposed in the act to control pesticides, Bill C-154, is contained within the four corners of the regulatory sections. As a matter of fact, it has three sections dealing with regulations.

Then there are the Farm Improvement Loans Act, the Farm Credit Act, the Farm Machinery Syndicates Credit Act, the Prairie Grain Advance Payments Act and the Fisheries Improvement Loans Act. All these acts passed by the house provided that interest rates could be raised at the uncontrolled discretion of the Governor in Council. The Animal Contagious Diseases Act gives tremendous power to the Governor in Council in the fixing of individual compensation for people covered by the legislation. The C.N.R. financing bill for the first time gives to the Governor in Council the right to authorize the C.N.R. or any other national transportation corporation to float loans and arrange for the issue of securities. The bill before the house in respect of the Patent Act and the Trade Marks Act gives power to regulate the granting of licences to pharmaceutical manufacturers.

Let me make it quite plain that I am not quarrelling, nor would I be allowed to quarrel, with the issues and principles dealt with under these authorizations. But I am entitled to emphasize the fact that we are slowly, in some cases not too slowly, taking out of this house the legislative power which is our right and turning it over to the executive. It may well be that these matters are essential. It may well be that in certain cases this is a desirable course to take, though I am very doubtful about that. But surely it is about time the members of the House of Commons, the press and the public became aware of the extent to which the bureaucracy, the establishment and the executive are filching from parliament, from this house, the very important rights which are ours and which should not be left to the uncontrolled discretion of government. I challenge the validity of such action, I challenge the right to do it, I challenge the soundness of a philosophy of this kind.

The official languages bill, for example, grants to the proposed commissioner of languages the most drastic and formidable powers with regard to holding hearings in or out of camera and enforcing the provisions of the act. The powers this official will be granted, if the legislation passes, are simply fantastic. We all know that under the Customs Tariff legislation many years ago this house gave away to a very considerable extent the traditional right to impose taxation. Under the freshwater fisheries bill we gave to the government the right to fix the interest rate. Another example of this erosion of the rights of members of parliament is the bill to amend the Navigable Waters Protection Act with which we shall be dealing later.

With regard to the bill to amend the Aeronautics Act, we find, for example, that one clause proposed by the government, and which we seek to take care of by the amendment tabled by the hon. member for Oxford, would take from the Governor in Council and give to the Air Transport Commission the right to make regulations. The practice followed by the government in this respect follows precisely what was done against my objection and the objection of a great many members of this party at the time the transport act was passed.

At that time we gave the Canadian Transport Commission the right to enact regulations in a vast area and fix punitive penalties for the infringement of those regulations. As a matter of fact, we removed from parliament and gave to the Transport Commission almost exclusive jurisdiction in the very important field of transportation. Transportation is vitally important to this country and to members of the house. The very foundation of this nation was predicated upon transportation and communications system which would draw together the various parts of the country. By the National Transportation Act we gave away those powers to the commission. Now the government is asking us to do precisely the same thing with regard to a number of powers and rights which, quite improperly, we gave away earlier to the Governor in Council. Now the Governor in

Council is saying: We do not want them; we are going to pass them on to an appointed body which will deal with these questions as it sees fit.

It is for this reason that we have proposed the amendment which will provide that all orders, regulations and decrees made under the provisions of the Aeronautics Act must be brought, within one year of the time they assume the force of law, before the standing committee which is charged by the rules of this house with dealing with matters of transportation. I point out to hon. members that we are not asking that these regulations, orders and decrees not become effective, or that the right to pass them be withheld in the sense that unless the house approves them they are invalid. We are simply saying that all orders and regulations should be filed with the appropriate committee and that committee must then consider them.

I have no doubt that 90 or 95 per cent of the decrees, orders and regulations will be of no particular interest to the committee. But we are asking that the committee have the right to take an interest if in the opinion of any member of this house or, in particular, of any member of the committee, there has been an attempt to encroach and trespass upon the rights of the individual. In that event this house must give effect to the rights of members who are here as protectors of the rights of the people of Canada.

It is in that sense that this amendment has been moved. I ask all hon. members to support it. It is a matter which affects hon. members who sit on the government side as well as those who sit on this side of the house. I ask hon. members: Are you prepared to give away, without any question, these rights to the establishment, to the bureaucracy? After all, governments come and governments go, but these people stay for ever. I am not challenging their bona fides or the fact that they may be good people, fully capable of discharging their responsibilities, but I suggest it is an unsound principle for an elective body such as this house aimlessly and carelessly to give away to the executive branch of government all the powers which are being asked for here and in other bills. If we do this we shall be further validating what the government has done in the past and will continue to ask the house to do in most of the legislative proposals with which we shall deal before the session is ended.

• (3:10 p.m.)

I suggest to hon. members on the government side that an even greater responsibility rests upon them than upon members of the opposition. If they are content to sit back quietly and acquiesce in this discharge of their responsibilities and in handing them over to the government, they are the people who will have to answer for it later. It is in that sense this amendment is moved, and I would request the co-operation and the support of hon. members in giving effect to it.

Mr. David Lewis (York South): Mr. Speaker, I rise at this point to ask whether the hon. member for Peace River (Mr. Baldwin) would accept one or two questions on his remarks.

Mr. Baldwin: I will answer them as well as I can on behalf of the hon. member for Oxford.

Mr. Lewis: I would like to ask the hon. member two questions which I will put into one to save time. First, what is the reason for the term "one year of coming into force"? I ask that question because if there is validity in what the hon. member has said, then obviously it becomes pretty difficult to undo something which the regulation has brought into effect. If it has been in effect for some months and certain procedures have been established pursuant to the regulation and certain practices have become a habit, it would be pretty difficult to do something about it a year later.

Second, I would like to know from the hon. member whether this amendment really says anything more than that there would be automatic reference of any regulation, order or direction to the Standing Committee on Transport and Communications in this case. The amendment says they will be filed with and considered by the standing committee. Am I right in thinking that what in effect this amendment does is to provide for automatic reference to the committee of each order, regulation and direction passed under the act? Whether or not the committee wants to deal with it is up to the committee to decide, but they are referered to it automatically.

Mr. Baldwin: It is my understanding it is the intention in the minds of those who propose the amendment that there would be an automatic reference to the committee of all orders and regulations passed and that the committee itself no doubt would *ab initio,* then take the right to consider them within the committee, or possibly as the result of

prompting by other members of the house who might bring various cases to their attention. That is why I said earlier in my remarks that in my opinion only a small percentage of the actual orders and regulations which were filed would in fact be dealt with by the committee.

As to the question of the term of one year, my understanding is that we are not suggesting in this case that the legality of the regulations and orders would be in issue, as is the case in certain jurisdictions where it is provided that orders in council and regulations of a certain type must be submitted to the legislative body within a certain number of months or days after that body resumes its sittings and that these regulations are then null and void unless concurred in by the legislative body. What we are suggesting here is the right to examine and review them. Out of the committee's studies recommendations could presumably come to the house. From then on it would be a matter for the government to consider. I believe the term of a year was selected because in many instances some time may elapse between the time these regulations are first brought to the attention of individual members and the time and the committee has an opportunity to consider them properly, to make inquiries and then to draft and make its recommendations to the house. I understand that is the reason behind the selection of a year as the period of time.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I rise to speak in support of the principle embodied in this amendment. In the general passage of the Aeronautics Act and the National Transportation Act the house gave the Canadian Transport Commission certain powers. For years now I have objected to the giving of blank cheques with regard to the power to make regulations without anyone being required to come back to this house to account for these regulations.

This is an area where the commission can do almost what it wants without having to give an accounting or being called to state its case as to why it is doing certain things. I say, in support of what was said by my colleague, the hon. member for Peace River (Mr. Baldwin), that this has been done far too much by parliament over the past years. I say also that this provision should apply in particular to any independent commission or board even more than, say, to the Governor in Council. Under the Regulations Act the Governor in Council must publish in the Canada *Gazette*, and there are certain mechanics whereby regulations published in the Canada *Gazette* may be laid before the house.

The government has accepted the principle of what I am saying since it has introduced amendments in the anti-dumping bill which I have been advocating precisely on these points. As an example I might cite clause 25 of the anti-dumping bill, Bill C-146, passed by this house and the other place. The act originally stated that the anti-dumping tribunal might, subject to the approval of the Governor in Council, make rules respecting the sittings and the procedure for making representations to the tribunal and generally the manner of conducting any business before the tribunal. However, as a result of the committee hearings and the arguments advanced, in which I took the lead, the government then proposed subsection (2), of section 25 which states:

> Copies of all rules made pursuant to subsection 1 shall be laid before Parliament within fifteen days after the commencement of the session next ensuing after the making thereof.

The Governor in Council is also empowered under that act to make regulations, and these will be also brought before parliament and tabled. Last autumn it was accepted by the government and by the house that a special committee should be set up to look into delegated legislation. It is my view that this is precisely what that committee would aim for. The Aeronautics Act and the Transport Act delegate powers of regulation. Parliament must never lose control and when it has delegated powers to legislate by way of regulation there must be a means whereby those regulations come back to parliament for review. Therefore we must have this committee on delegated legislation, not that everything will stand in hiatus until approval has been given but so that there shall be a supervisory power. These commissions owe their existence to parliament and are accountable to parliament. But the government proposes legislation and we give powers to certain bodies which are no longer held accountable to parliament. That is wholly contrary to our system of government.

• (3:20 p.m.)

I certainly support the spirit of the amendment and I urge it upon all hon. members, particularly those on the government side. Perhaps I would have worded the motion differently inasmuch as I would prefer that any rules and regulations made by the commission should be tabled by the appropriate

minister within a certain time. As to the principle, however, the government itself has accepted it in legislation put forward this year, and I believe that if hon. members would reflect upon it they would see that what we are asking for is legitimate.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I am virtually in full agreement with the position taken by the hon. member for Edmonton West (Mr. Lambert) and by the hon. member for Peace River (Mr. Baldwin). It can certainly be said that in recent years there has been growing concern, not only in parliament but among all those who follow parliamentary affairs, about the way in which statutory instruments and regulations are proliferating in number.

The question is often asked: what procedures can parliament adopt so as to maintain effective control over the number and nature of the various statutory instruments and regulations which are passed by the executive branch of government? I have heard it argued that if this amendment were passed and all regulations established by order in council were referred to a standing committee, that committee would find itself saddled with a very heavy workload indeed. But it seems to me that if the volume of these regulations is as large as has been indicated, there is a clear responsibility on the part of hon. members to buckle down and wade through them.

It is not enough that there should be a procedure by which regulations are tabled in parliament within a certain number of days after the opening of a session. When hundreds or even thousands of regulations are tabled together, the likelihood is that none of them will be studied and analysed in a satisfactory way. In my view it would be a much more effective procedure if each department of government which establishes regulations were responsible for seeing that they were referred to the appropriate standing committees of this house.

The amendment before us appears to be an attempt to deal with a longstanding problem which has become increasingly serious during the past decade. I have tried to think of arguments which could be advanced in opposition to the proposed amendment, but I confess I cannot think of any.

Mr. Eldon M. Woolliams (Calgary North): I intend to be brief, Mr. Speaker. I want to ask the minister a question. He may not have the information before him now, but the answer goes to the root of the trouble which the amendment is trying to cure.

As the hon. gentleman knows, the real substance of our legislation is determined by orders in council and by regulations made after this house has dealt with the matters of principle concerned. Sometimes, indeed, Members of Parliament find themselves confused, when they see the regulations, about what they really voted for. Most of these regulations are drawn up by advisers of the government, officials within the public service. The question I want to ask the minister is: does he know how many thousands of regulations have been approved in the past year—regulations which really amount to legislation?

Mr. Speaker: Order. I think I should remind hon. members that we are not in committee of the whole, and that we should not engage in the type of discussion appropriate to a committee of the whole. My understanding is that there should be speeches of the kind ordinarily made while the Speaker is in the chair. The hon. member for Calgary North is asking for information which the minister can give as part of his speech, but according to our rules the minister can speak only once; he might answer all these questions when he takes the floor.

Mr. Woolliams: I did not wish to make a lengthy speech, Mr. Speaker, and this is why I was content simply to direct a question to the minister. I shall be quite satisfied to get the information when the hon. gentleman replies.

Hon. James A. Richardson (Minister without Portfolio): Mr. Speaker, I have noted carefully the statement made by the hon. member for Peace River, particularly his reference to several bills which have been passed recently and his concern about the authority now being given to the executive branch of government. He named the Canadian Transport Commission and other bodies.

At this time, when we are dealing with a specific amendment, I do not think it would be appropriate for me to make further reference to this general topic. What I should like to do is to refer to the amendment which was placed on record in *Votes and Proceedings* for January 31. In this connection I feel I should first of all thank the hon. member for Oxford (Mr. Nesbitt), although he is not in the house—

An hon. Member: He is. At the back.

Mr. Macdonald (Rosedale): He is only half here, as usual.

Mr. Baldwin: Better than being all gone, like the President of the Privy Council (Mr. Macdonald).

Mr. Macdonald (Rosedale): Way ahead of you, and all gone in that sense.

Mr. Richardson: I am glad the hon. member for Oxford has just taken his place. I was about to thank him for the careful study which he has given to Bill S-14, the purpose of which is to amend the Aeronautics Act. I wish to express the view of the government in relation to the proposed amendment to this bill which the hon. member has put forward as recorded in *Votes and Proceedings* No. 83 of January 31. The hon. member has proposed that a new clause be added as follows:

> Any regulation, order or direction made under this Act shall be filed with and considered by the Standing Committee of the House of Commons on Transport and Communications within one year of coming into force.

It seems to me the effect of this proposal would be that the officials concerned would be in direct communication with the standing committee, that they would in fact be sending material to the standing committee for its consideration. But my understanding is that a committee of the house can only consider matters referred to it by the house itself. In these circumstances I do not believe we should legislate as proposed by the hon. member.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, if I might—

Mr. Speaker: Order. I am not sure whether the hon. member is entitled to speak, someone else having moved the motion in his name, but no doubt he could make his remarks with the unanimous consent of the house. Is that agreed?

Some hon. Members: Agreed

Mr. Baldwin: He can speak for me.

Mr. Nesbitt: Thank you, Mr. Speaker. My remarks will be brief. The minister's objection as I understand it is of a technical nature; it is not directed to the substance of the motion. I cannot say I altogether follow his line of reasoning. It would, of course, clearly have to be the government, through one of its ministers, which would refer these regulations to the committee. I cannot follow the reasoning behind the minister's statement

that the commission would be in direct communication with a committee of the house. I think it goes without saying that anything of this nature would have to be referred formally to the committee by a minister, either the minister himself if he still occupies this present portfolio or his successor.

• (3:30 p.m.)

If the minister had any objection to the substance of the amendment I might be able to follow his reasoning. As has been pointed out by other hon. members, the regulations will be made not by the minister but by the deputy minister or the Canadian Transport Commission. It is obvious that such regulations may cause a great deal of trouble in the course of a year. While it is true that any questions about regulations could be taken to the Supreme Court of Canada, this would be a pretty costly proceeding for the average person. It would be much simpler to change the regulations by referring them once a year to the house committee on transport and communications. If there were any objections to particular regulations, those objections could then be put forward by members of parliament to the committee. However, I am sure everybody else would agree to any technical change in the wording of the amendment to meet the minister's requirements, if he thought that were necessary.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I should like to put forward two reasons why the government thinks it unwise to accept the hon. member's amendment. The first was probably much in the mind of the seatmate of the hon. member for Oxford (Mr. Nesbitt), the hon. member for Edmonton West (Mr. Lambert), when he expressed his reservation about an amendment which he said—I believe I quote him exactly—he could not commend as such but could at least commend the spirit of it.

My first reason is with respect to the suggestion that these matters be referred specifically to the Standing Committee on Transport and Communications of the House of Commons. What the hon. member is really proposing is that we write into the statute, for all time, what the house normally does by way of an amendment to the Standing Orders. As hon. members know, we have recently gone through that process. Contrary to what is sometimes suggested, it is not necessary for parliament to change the Standing Orders; rather it is for the House of Commons to change its own Standing Orders.

As a result of the changes that were made recently to our Standing Orders, under Standing Order 65 the Standing Committee on Transport and Communications has been created. In view of the fact that the committee on procedure and organization is presently considering Standing Order 65 it is possible—certainly it is beyond mere quibble —that they may well wish to change the Standing Order again, perhaps to change the designation of this particular committee or to change its powers. Therefore, if we were to accept the hon. member's amendment we would need not only a decision of the house to amend the Standing Orders but would also have to bring in an amendment to the Aeronautics Act itself, which I suggest is really an absurd situation.

The hon. member for Edmonton West made reference to what was formerly Bill C-146 and is now the anti-dumping act in connection with the tabling in Parliament of certain papers to enable the house to dispose of them as it may wish. However, I do not think that the house should tie its hands in the matter of amending its own Standing Orders by the kind of amendment that the hon. member for Oxford has put forward.

My second reason for not accepting an amendment of this kind at this time can be deduced from the remarks made by the hon. member for Peace River. As the house knows, I moved a motion, seconded by the hon. member for Peace River, to set up a special committee on statutory legislation to look into questions concerning statutory instruments and delegated legislation of the type referred to in the proposed amendment. I think the sounder course of action would be to permit that committee to continue its study of the question of statutory instruments and to make recommendations to the house as to how best this type of delegated legislation may be brought forward for the attention of members of parliament and, if thought desirable by that committee, for the attention of a particular standing committee.

I suggest that we should not prejudge the study that is presently being made by the special committee on delegated legislation, as this particular amendment would do. We should wait for the committee to report to the house whether we should make any structural changes across the board in our federal legislative system so that we can deal with all of these questions at once, rather than in this piecemeal and unsatisfactory manner.

For these reasons, Mr. Speaker, I hope the house will reject the amendment.

29180—320½

Mr. Aiken: Would the minister accept a question? The Minister without Portfolio raised some technical objections to the wording of this amendment. Is the government prepared to support or to introduce an amendment which would meet the objection the minister has raised to the wording of this amendment but carrying out the spirit of the amendment that has been moved by the hon. member for Oxford?

Mr. Macdonald (Rosedale): Mr. Speaker, I will have to restate my argument again for the hon. member for Parry Sound-Muskoka (Mr. Aiken). I said that, as all hon. members opposite will acknowledge, the amendment as worded at the moment is badly drafted.

My second point was that we are now considering a procedure whereby statutory instruments of this kind may be brought under closer scrutiny by the house. I suggest to the hon. member that only this special committee can report to this house and make recommendations as to any general structural changes that affect the federal legislative system, and that therefore it would not be wise to make this kind of amendment piecemeal. The hon. member for Peace River stated that this was the precursor of a number of different amendments of this kind.

I share his concern over the fact that more and more power affecting the rights and privileges of people is being conferred on, if you like, a faceless bureaucracy that is beyond the criticism of this parliament. As I say, I share his concern in this regard. But it may well be that there are more effective ways of adopting a procedure in this parliament for dealing with the matter across the board, rather than accepting piecemeal amendments of this kind which, if accepted now might have to be later repealed and further amendments made to the Aeronautics Act when the committee reports.

Mr. Aiken: I take it that the answer to my question is no?

Mr. Macdonald (Rosedale): Mr. Speaker, I would not try to explain it a third time to the hon. member.

Mr. Speaker: All those in favour of the said amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the amendment negatived.

Some hon. Members: On division.

Amendment (Mr. Nesbitt) negatived.

Hon. James Richardson (for the Minister of Transport) moved:

That Bill S-14, an act to amend the Aeronautics Act, as reported (without amendment) from the Standing Committee on Transport and Communications on Wednesday, January 29, 1969, be concurred in.

Motion (for concurrence) agreed to.

Mr. Speaker: Pursuant to standing order 75, subsection (13), the said bill stands over for third reading at the next sitting of the house.

NAVIGABLE WATERS PROTECTION ACT

AMENDMENTS RESPECTING DEFINITIONS, UNAUTHORIZED WORKS, ETC.— REPORT STAGE

The house proceeded to the consideration of Bill S-19, to amend the Navigable Waters Protection Act, as reported (without amendment) from the Standing Committee on Transport and Communications.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That clause 1 be amended as follows:

Firstly, that proposed section 1A(b) be deleted and the following substituted:

1A(b) "navigable water" includes a canal and any other body of water not wholly situated within a province and not directly connected to a further canal or body of water situated in another province, created or altered as a result of the construction of any work.

• (3:40 p.m.)

Secondly, that proposed Section 2(c)i be amended by adding thereto after the word "thereto" the following:

"constructed on a navigable water."

Thirdly, that proposed Section 2(c)iv be amended by adding after the word "navigation" the following:

"on a navigable water."

He said: Mr. Speaker, the reasons for moving these amendments to proposed sections 1A and 2(c) are twofold. They are for the purpose of clarifying a situation which has existed for a long time; in short, they are to clarify the term "navigable water". They are also introduced to try to prevent an attempted power grab on the part of the federal government of pieces of real estate that were never intended to come under the jurisdiction of the federal government. I am referring to farm ponds and the like. We were told in the committee that studied this bill that things like ponds would come within the purview of this legislation.

The term "navigable water" seems an express definition; yet the fact is that navigable waters are vaguely defined in the act, to say the least. To appreciate what I mean one must look at the British North America Act. Section 91, subsection 10, sets out that navigation and shipping come under the exclusive jurisdiction of the federal government. Subsection 13 refers to "ferries between a province and any British or foreign country or between two provinces." Subsection 9 refers to "beacons, buoys, lighthouses, and Sable Island." Yet another subsection refers to waters. It is clear, therefore, that section 91 of the act does not clearly or precisely define the term "navigable waters". If the fathers of confederation had considered all waters navigable waters they would not have included specifically the words "ferries between a province and any British or foreign country or between two provinces". Neither would they have included subsection 9 which refers to "beacons, buoys, lighthouses, and Sable Island." It is clear, therefore, that the term "navigable water" was in some way limited in meaning.

It is also necessary to see what the fathers of confederation intended to say when the act was drawn up. At the time of confederation navigable waters were of greater importance to transportation in Canada than they are today. I doubt that in their wisdom the fathers of confederation, gray beards and all, could have seen into the future in the manner described in Lord Tennyson's poem "Locksley Hall" and foretold the great dams that would hold back water in populous parts of Canada. These structures have created large bodies of water and serve purposes of conservation. Conserving water and other resources was not a problem in 1867. Clearly, the fathers of confederation never envisaged that farm ponds, for instance, would come under the purview of the legislation. One must remember that when looking at the British North America Act.

There is also this question: what is navigable water? There have been a number of court decisions on the subject, but I shall not refer to them. Anyone can look up court records. To say the least, existing court decisions on the point are not decisive nor helpful.

When officials of the Department of Transport were before the committee and giving evidence they were as helpful as they could be but seemed unclear as to how to define navigable waters. Most of us agree, I think, that there is a difference between a body of water that is navigable and one that is not. For example, at one time the Thames River flowing through the city of London, Ontario, was navigable. Ships used it in 1890. At one time a steamer upset on the river and 90 people were drowned. Clearly, when that happened the Thames River must have been navigable. Now the river dries up in the summer months. Another example of a body of water that may be navigable at one time and not navigable at another is a body of water containing rapids. If the rapids can be eliminated logs can be floated down the river. The officials of the department define navigable water as any body of water on which you can float a raft, canoe, or anything else. While that may be a reasonable definition I do not think that the term "navigable" was ever intended to apply to waters on which you can float only a raft or canoe. The fact of the matter is that officials of the department themselves are not too sure of the effect of the amendments proposed by the minister.

I now refer to Minutes of Proceedings and Evidence No. 11 of the Standing Committee on Transport and Communications of Friday, January 24 last. I quote as follows from page 191:

Mr. Nesbitt: If that is correct, am I then to understand, because of the additions to this act which are before us at the moment, that a person who has a summer cottage on a lake would have to get permission from the minister to build an addition to his dock or something of that nature?

Mr. J. Fortier (Legal Counsel, Department of Transport): Yes, if it is an important dock, but I do not think it is intended to cover all the small docks made up of a couple of planks.

Mr. Nesbitt: But if a person had a 30 foot cruiser, and this is not uncommon nowadays in parts of Ontario and elsewhere, then that person would have to get permission to build a dock. For instance, this would apply to the Muskoka lakes?

Mr. Fortier: Yes, sir.

Mr. McGrath: And it could include a floating swimming platform as well?

Mr. Manning: Yes, sir.

I need not take up the time of the house to show that officials of the Department of Transport, who presumably drafted the amendments for the minister, seem unsure of their effect. For example, Mr. Fortier, legal counsel for the Department of Transport said the amendments would apply to a dock if it were an important dock. I do not know what that sentence means. Legislation is specifically spelled out. It is no use saying "I do not think it is intended to cover all the small docks." When one is drawing up regulations under the Navigable Waters Protection Act one must be clear. Regulations must be clearly drawn and clearly applicable, and it is far from certain that in the minds of the officials who will draw up the regulations these matters are clearly defined. As I said, the officials must be clear in their minds about the points the regulations are to cover. The minister seemed concerned about this matter because on page 193 of the same committee report we find the following:

Mr. Richardson: Yes. Mr. Chairman, could I answer a question Mr. Nesbitt raised—I think it is of importance to all of us and I have tried to understand it in thinking about this act—in respect to small docks built on lakes. I do not think that there is going to be an initiative required by the builder; I do not think he is going to have to seek application to build an ordinary little dock any more than at present, but I would like confirmation of that to the committee from the officials.

Mr. Nesbitt: This is a pretty disturbing thing, Mr. Richardson.

Mr. Richardson: It was to me and I wanted to make certain that that was not the case. I would like to have a comment on that.

The minister seemed to have some doubt in his mind as to the effect of the proposed amendments. All this shows how well some of our committees which have been studying certain bills are functioning.

• (3:50 p.m.)

There is another matter I wish to refer to. It is touched on in Minutes of Proceedings and Evidence No. 10, of Thursday, January 23 last. There is a brief reference I would like to make here. At page 190 I said:

The reason I asked in the first place is the question of what the federal government has jurisdiction over. Are you implying then that the federal government has jurisdiction over all waters on which anything can be floated, no matter how small?

Mr. Ballinger: This is correct, yes. I think the federal government has this as a result of the British North America Act where it has the authority for all matters relating to navigation on all bodies of water in Canada.

I do not want to spend time reading into the record of this house, but on other occasions it was pointed out this would include such bodies of water as farm ponds. I mentioned earlier that it was never intended by the British North America Act to give jurisdiction to the federal government over bodies

of water which were wholly within a province or unconnected with other bodies of water. No matter how one may interpret the terms of the B.N.A. Act, I think it becomes manifestly foolish to suggest it was ever in the minds of the fathers of confederation to include farm ponds and the like under the federal Department of Transport.

On the other hand, it is quite clear there must have been some doubts as to how far the federal government should proceed in this regard because of section 91 of the act and the various subsections to which I referred earlier. Navigable waters such as the Great Lakes, which are international, and the Saskatchewan River and the Ottawa River connecting two major provinces, would have to come under federal jurisdiction. But certainly it was never intended that every tiny creek or stream wholly within a province should come under the Navigable Waters Protection Act.

The word "navigable" has been defined in statutes although in some fields there have been disputes from time to time. A river could be navigable at one time in history but not at another because it might dry up. The question is: when is a body of water navigable and when is it not? According to the officials of the Department of Transport it is any body of water, no matter how small, on which anything can float. This covers everything. This is very simple from the viewpoint of the officials of the department.

The general public would be startled to find out they need permission from the Department of Transport in order to build a dock in front of a cottage on a lake such as Lake Scugog, Rice Lake or the Muskoka lakes which are in no way connected with other lakes or provinces. The minister says: we think things will remain the same. Why then Mr. Speaker, are these powers being sought? I do not understand. The officials of the department were not helpful in explaining these matters. They were very uncertain about the effect of the legislation. This legislation at first appeared to be housekeeping legislation. The drafting of the legislation appears to have been hasty, vague and sloppy, with great powers being conferred on the federal government which I do not think were intended.

I suggest that the reasons for the amendment are obvious. The bill seeks to include all small bodies of water, even farm ponds, which were never intended to come within the ambit of federal powers. The amendment is carefully worded and reads:

> "navigable water" includes a canal and any other body of water, not wholly situated within a province and not directly connected to a further canal or body of water situated in another province—

This is understandable and necessary for waterways such as the Rideau Canal system which, although wholly in the province of Ontario, clearly connects two bodies of water, one being the Ottawa River which divides two provinces and comes under federal jurisdiction. The Trent Canal connects two of the Great Lakes which are international bodies of water. In order to include these projects there would have to be reference made to connecting bodies of water although not directly connected. The reason for the amendment is obvious in the case of waterways such as the Thames, the Grand and various others where the waters have been dammed up to create conservation ponds or lakes, as they are called, and there is no way of moving out of these ponds by any vessel as defined by the act. There is no system of locks to get in and out of the lakes.

The amendment is related to section 92, subsection 10(c), of the British North America Act which states:

> (c) Such works as, although wholly situate within the province, are before or after their execution declared by the Parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

This refers to works such as dams and other construction.

When the fathers of confederation were framing section 92 of the act which gives rights to the provinces they realized that the definition of "works" might cause some trouble. The minister could perhaps clear up the question of what is navigable water and what is not by drawing up an amendment to the Navigable Waters Protection Act stating that for the purpose of this act certain waters will be deemed to be navigable, such as the Great Lakes and the St. Lawrence, Ottawa, Saskatchewan and Niagara Rivers. From time to time certain waters used for navigation purposes could be so designated by order in council. This might be a better way of doing it. I do not know. At the present time I cannot imagine why officials of the Department of Transport would want to seek jurisdiction over every little body of water and puddle in the country. I am surprised at this sort of thing finding its way into a statute.

• (4:00 p.m.)

There are many conservation projects in Ontario. I am sure all other provinces have administrative bodies dealing with conservation. These are creatures of the provinces. For example, the Upper Thames Authority, the Grand River Conservation Authority and others deal with the administration of dams, the use of water stored behind dams, and what is allowed on these waters. There is enough trouble already between municipalities and such conservation authorities. There is squabbling over the kinds of boats to be used on artificial lakes and over the speed they will travel at. When we have the Minister of Transport (Mr. Hellyer) also coming into the picture it will be a question of too many cooks spoiling the broth. Bring the minister in with all his officials and they can only compound the difficulties already existing between municipalities and conservation authorities.

I have been in this house long enough to know that often it is difficult for a government to accept amendments proposed from the other side. There is always the question of losing face even if proposed amendments make sense, but I hope the minister will accept this amendment because it would relieve his department of a great deal of responsiblity.

If a man builds a dock on a small lake and his neighbour does not like it, under the terms of this bill the neighbour can run to the Department of Transport to raise cain about the dock. One would need to be on good terms with the local D.O.T. officials if one wanted to build a dock.

I think the minister should be happy to be rid of the responsibility for a lot of little rivers. If his department felt it was necessary to bring certain bodies of water under the act he could do it by order in council, and in this instance I think that would be the best way. My amendment would relieve the minister and his department of the responsibility for farm ponds and little creeks and at the same time would in no way interfere with what really are the waters that must concern him and his department, namely, large bodies of water on which ships travel between countries, including all of the St. Lawrence Seaway and a number of big rivers in western Canada and elsewhere.

I assume the minister will not be prepared to accept my amendment but I submit he should introduce some amendment to clarify what is navigable water and what is not. His proposed amendments will create nothing but an administrative nightmare so far as many areas of Canada are concerned.

Giving the department responsibility over little bodies of water such as farm ponds and small inland lakes is simply to encourage spiteful actions between neighbours. If I do not like a dock that my neighbour is building, if I think he is building it out too far, I can go to the Department of Transport and complain. Nobody is suggesting that the minister should not have control over docks, floating platforms and other works on major arterial waters such as the St. Lawrence. My proposed amendment includes such control. But I am sure no one in the Department of Transport envisaged, as admitted by the officials who appeared before the committee, the taking over of every small farm pond, and administrative responsibility for private docks built by cottage owners on small lakes.

My purpose in proposing this amendment is not based on pride of authorship. It is to clear up an administrative mess. The officials of the department have told us that the proposed changes in the act will cover tiny bodies of water and docks. They said major, important docks, but they were not sure what that meant. Certainly the minister indicated some surprise that the proposed changes would cover small, local docks and floating platforms. My objective is to try to keep a great many of us, including the minister, out of administrative arguments between local authorities and the department.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member for Oxford (Mr. Nesbitt) on his proposed amendment to Bill S-19. Normally I think amendments coming from the opposition parties are good but in my opinion this is an extremely foolish and far too restrictive amendment.

I do not think any hon. member is anxious to see the administration bogged down in arguments over ponds on farms or over the building of swimming pools, but all one has to do is read the hon. member's amendment to discover that a large number of very important bodies of water will be eliminated from the provisions of the act if his amendment is adopted. This is not the intention of the bill and I am quite sure it is not the intention of the government.

For example, many of the new works in the province of British Columbia which this

bill would bring under the provisions of the Navigable Waters Protection Act would be excluded if the amendment were passed. I do not think this is what we are trying to do. In an attempt to improve the legislation the hon. member proposes an exceedingly restrictive change. It would rule out most of the matters which the bill seeks to remedy.

The proposed new section 1A(b) would bring under the provisions of the act canals and all artificial bodies of water created or altered as a result of the construction of any work, and that is exactly what we want to do. In British Columbia we have had a recent series of dam constructions along the Columbia River and elsewhere. These would be included under the new section of the act. The amendment proposed by the hon. member for Oxford would eliminate all this. The amendment in the bill reads:

"navigable water" includes a canal and any other body of water created or altered as a result of the construction of any work.

That would be thrown out and be replaced by these words:

—"navigable water" includes a canal and any other body of water not—

Mark that word—"not".

—wholly situated within a province and not directly connected to a further canal or body of water situated in another province, created or altered as a result of the construction of any work.

• (4:10 p.m.)

I suggest the amendment is very vague and will undo the very thing that we want done. We in the province of British Columbia are very desirous of bringing within the confines of the act the reservoir basins and so on behind the new dams which have recently been constructed. I suggest to the hon. member that if he reads the amendment carefully he will realize that he will be defeating this intent. Perhaps the minister will have a different interpretation of the amendment, but I am not satisfied with it. If it means what I am convinced it does, I have no other choice but to vote against it.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I object to this amendment for the simple reason that it complicates the present situation. We must not add to the difficulties involved in the sharing of jurisdictions between the federal and provincial governments.

[Mr. Harding.]

The proposed amendment reads in part as follows:

"navigable water" includes a canal and any body of water not wholly situated within a province and not directly connected to a further canal or body of water situated in another province, created or altered as a result of the construction of any work.

Since this amendment would complicate the matter to the point that we could not make it out, I am totally opposed to it. If, for instance, we start giving a definition of the waters situated within a province or another, we will end up connecting the waters of British Columbia to those of the province of Quebec and that is why I think the limitation which this amendment intends to establish cannot be justified.

Of course, the term "navigable water" is already quite clear since it means a place where there is maritime traffic, and I cannot see why we should through such an amendment make matters more complicated, when so often they are too complicated already.

This is why, Mr. Speaker, I do not see any necessity at all for this amendment.

[*English*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in rising to speak on Bill S-19, to amend the Navigable Waters Protection Act, I am sorry to note that someone in my old Department of Transport has extended bureaucracy to a ridiculous extreme in drafting this legislation. As I understand the bill, if it passes in its present form it will require someone who has a summer cottage or a farm bordering upon water of any kind to get permission first from the federal government before building a dock, a swimming raft, diving platform or any structure whatsoever. I do not think this was the intent of the minister or the government. Surely they never intended to put such sweeping powers in the hands of government officials. This will put people who are law-abiding peaceful taxpayers in the position of having to go through the tangle of red tape and regulation to obtain permission from the federal government before making any such addition to their property.

It is my belief that the legislation before us is badly and loosely drafted, and that if it passes in its present form it will simply extend bureaucracy in its most ridiculous form. The power given to the federal government by this bill in this form is both unjustified and unnecessary. For that reason I intend to support the amendment proposed by

the hon. member for Oxford (Mr. Nesbitt) on behalf of the official opposition.

Mr. P. M. Mahoney (Calgary South): Mr. Speaker, I should like to make a few comments on the bill with relation not to acts of commission but of omission. During the transport committee hearings it came to light that the bill does not cover works of provincial governments or their agencies.

On the prairies and in the inland areas of this country very few works obstruct navigation as effectively as power dams. Hydroelectric authorities today have a vested interest as Crown corporations in right of the various provinces. Yet we have not purported in the legislation to try to control obstructions to navigation arising from power dams. This was a very serious problem to the province of Alberta when the Peace River development was taking place in northern British Columbia. Great concern was expressed about interference with the flow of water in the Peace River to Alberta and the Northwest Territories. Nothing could be done about that under federal jurisdiction.

In this day and age, with Crown corporations operating in commercial fields, I think it is incumbent upon the government to exercise its authority to protect the public not only from works of private enterprise but works of Crown corporations, and I seriously suggest to the government that it consider extending the act to cover the very serious problem that is being created.

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I would like once again to thank the hon. member for Oxford (Mr. Nesbitt) for the careful study he has given to Bill S-19 which amends the Navigable Waters Protection Act. I would like to comment on the proposals which he has made in the house today, and particularly on his amendment to the bill as it appears in *Votes and Proceedings* No. 83 of January 31.

It is not my intention to speak at length about the other matters he has raised because we dealt with them very thoroughly during the committee hearings. That, of course, is the primary purpose of standing committee meetings.

I know the hon. member is concerned, and I indicated that I share his concern, about small docks, diving platforms and that sort of thing, but these do not come within this act unless they obstruct navigation. That is the overriding consideration. I do not think that neighbours are going to get into fights unless someone is trying to build a dock far out into a body of water, which will in fact obstruct navigation. If it will obstruct navigation then an application would have to be made under the act. I think the concern is really unfounded so far as small private docks are concerned.

Speaking to the specific amendment, it is proposed that Section 1A(b) be deleted and that a revised definition of "navigable water" be substituted. I believe it would not be wise to do this, primarily because the proposed definition of "navigable water" is too restrictive. This has been pointed out very forcibly and clearly by the hon. member for Kootenay West (Mr. Harding), supported by the hon. member for Champlain (Mr. Matte).

• (4:20 p.m.)

I believe that the definition of "navigable water" proposed in the amendment would mean that the Navigable Waters Protection Act would apply only to navigable waters which flow or are located in two provinces. This is really much too limited for the purposes of the act. The definition of "navigable water" as it now appears in the bill is more general in character and would make the act apply to navigable water located entirely within one province. It seems to me that the amendment proposed is contrary to the intent of the definition "navigable water" contained in the bill, and for that reason I do not believe the amendment can be accepted.

With reference to clause 2(c)(i), it does not appear necessary to add the words "constructed on a navigable water" as suggested in the amendment, primarily because the whole act is dealing with navigable water and the addition of these words would appear to be repetitious. Finally, with reference to the proposed amendment to clause 2(c)(iv), our view is that it is not necessary to add the words "on a navigable water" since navigation cannot take place except on a navigable water. For these reasons, Mr. Speaker, as well as the points raised by other hon. members, this amendment cannot be accepted by the government.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the said amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my view the nays have it. I declare the amendment negatived.

Mr. Baldwin: On division.

Mr. Deputy Speaker: Negatived, on division.

Amendment (Mr. Nesbitt) negatived.

Hon. James Richardson (for the Minister of Transport) moved:

That Bill S-19, to amend the Navigable Waters Protection Act, as reported (without amendment) from the Standing Committee on Transport and Communications, be concurred in.

Motion (for concurrence) agreed to.

Mr. Deputy Speaker: Pursuant to Standing Order 75, subsection 13, the said bill stands over for third reading at the next sitting of the house.

CANADA EVIDENCE ACT

AMENDMENTS RESPECTING ADMISSIBILITY OF EVIDENCE—REPORT STAGE

Hon. Allan J. MacEachen (for the Minister of Justice) moved that Bill S-3, to amend the Canada Evidence Act, as reported (without amendment) from the Standing Committee on Justice and Legal Affairs on Thursday, January 30, 1969, be concurred in.

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

Mr. Baldwin: On division.

Mr. Deputy Speaker: Carried, on division.

Motion (for concurrence) agreed to.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, I would suggest that consideration be given to the motion for third reading of the bill.

[*English*]

Mr. MacEachen (for the Minister of Justice) moved that Bill S-3, to amend the Canada Evidence Act, be read the third time and do pass.

[*Translation*]

Mr. Cantin: Mr. Speaker, on behalf of the Minister of Justice (Mr. Turner), I should like to thank all the members who sat on the committee on justice and legal affairs.

The minister has already had the opportunity of speaking to the House on the effects of the amendments proposed in this bill. The five proposed clauses were studied in detail by the committee on justice and legal affairs, where the minister himself dealt with each one of them.

It will have been noted that the unanimous report of the committee does not propose any change and I do not feel I need insist any further. Still, I shall review briefly the objectives of those five amendments.

The first is designed to facilitate the hearing of expert witnesses during trials; the second provides for more flexible cross-examination of the witnesses of one party; the third extends the definition of the word "Bank" to financial institutions; the fourth revises the rules on hearsay; finally, the fifth provides an honest solution to those problems which formerly arose from the form recognized for receiving oaths or solemn declarations.

In short, it modernizes the act with a view to promoting the achievement of a more just society.

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to say a few words in reference to clause 2 of the bill. The explanatory note reads as follows:

The purpose of this amendment is to allow a party with leave of the court to cross-examine his own witness on a prior inconsistent statement made by him in writing, in order to enable the court to determine whether the witness is adverse.

I am a little concerned that the clause goes farther than the explanatory note, because it says:

Where the party producing a witness alleges that the witness made at other times a statement in writing—

It does not have to be proved. This point has come to mind recently, although I did mention it in the discussion on second reading. The provision means that if Crown counsel merely alleges that at another time John Brown made a different statement, he can have his own witness declared hostile and can cross-examine him. It is all right to bring the Canada Evidence Act up to date, but this question requires very careful consideration. The Crown may be having difficulty in proving some narcotics cases, and the Department of Justice may have merely handed this

provision to the minister without giving any thought to it. If they did give any thought to it, they overlooked a problem that will arise.

When a person is charged with an indictable offence he is entitled to elect by whom he shall be tried. If he elects trial before a magistrate, the magistrate has jurisdiction to deal with the matter. The consent of the accused is required in this case. The accused may elect to have a preliminary hearing before a magistrate and trial in a high court before a judge and jury or a judge without a jury. In order to present at the trial the best possible case for his client, defence counsel cross-examines fully at the preliminary hearing in order to find out what is the Crown's case.

I should like to refer to a murder trial in which I was engaged in order to illustrate the point I am about to make. The police had obtained from the accused, who was charged with the murder of his wife, a confession. They had taken nine and a half hours to obtain a confession of 11 pages. The confession was made up of questions and answers, questions put by the policeman and answers given orally by the accused. After nine and a half hours the accused signed a statement which was declared admissible by the magistrate and by the trial judge.

• (4:30 p.m.)

The point I am making as to the credibility of the statement is that I noticed on reading the statement that nowhere had the police officer asked the accused: "Did you kill your wife?" One would have thought that in getting a statement through questions and answers this would be one of the questions the policeman would put to the accused. In cross-examination counsel asked: "Does this statement contain all the questions and all the answers material to the murder charge, the questions that were asked by the police officer and the answers given by the accused?" The police officer said "yes".

Then a question was asked by the defence counsel which would never be asked at a trial but which had to be put, namely: "Why was that question not put?" It should have been asked during a cross-examination which filled 11 pages and must have represented some kind of confession. The policeman answered: "I overlooked something. I did ask the accused that question but I forgot to write it in the statement and I forgot I asked him that question". The next question at the preliminary hearing asked by defence counsel was: "How many times did you ask that question?" The policeman replied: "Once". He was then asked: "What was the answer?" That question would never be put before a jury because if the answer was "Yes, I stabbed or killed my wife" counsel would have hung his own client. I am not going to go into the answer that was given, but the answer given by the police officer differed from the one given at the time of the inquest.

Then defence counsel waited until the trial by jury started and asked the same question to build up the same set of facts, protected from incriminating his own client by the fact that he had sworn copies of the questions. Defence counsel asked: "Is everything that you asked the accused and everything the accused said in that statement?" The police officer, who was under oath at the preliminary hearing and whose memory failed him again or he did not know which side of the fence he was on, said: "Yes". Then he was asked: "Why did you not ask the accused 'did you kill your wife'?", to which he answered: "I forgot I did". It is a funny thing to forget. Then he was asked how many times he put the question, to which he said: "Once". So there was one answer at the inquest, one answer at the preliminary hearing, and a new answer before the jury. Of course the jury were not going to believe the police officer.

Mr. Baldwin: It sounds like a cabinet minister.

Mr. Woolliams: The point I am making is that a preliminary hearing is basically a fishing trip to find out what case the Crown has. It provides an opportunity to get a statement as a result of questions asked by the defence which could not otherwise be provided. I repeat again that this measure gives the Crown too much power. I would have moved an amendment under the new rules but, as you have seen this afternoon, Mr. Speaker, the government have a majority and they are going to get this bill through the house. I had hoped that the Minister of Justice (Mr. Turner) would be in the house on such as important piece of legislation which changes the rules of evidence and the rights of the citizens of this nation. It is possible that he is not in the house because of a previous speaking engagement. but if this is the case, then surely this bill should have been brought to the house at a time when the minister could be present.

This afternoon I counted the number of ministers present in the house during the oral question period. I say without any hesitation or reservation that it is a disgrace that this

government has so little concern for the rights of the opposition that its members do not even bother to attend the sessions and to be here to answer questions. The Minister of Justice is not here. I say he should be here at this time, and although he is a friend of mine this is my criticism of him. I say that if he could not be here it was his job to make certain this bill would be postponed until it was convenient for him to grace this place with his presence.

The attitude of the government is evident not only in the work of the committees but in the House of Commons under the new rules which they talk about with great affection. I say that eventually this institution will become decadent. The Minister of Justice should have been here to answer my questions on this important matter with reference to the Canada Evidence Act, whether we are at the committee stage or third reading of the bill.

I hope that the house leader, who is not here either, will agree that in view of my submission this debate on third reading should be adjourned until such time as the Minister of Justice can be present to assure the house that the civil rights of the accused across this nation are protected. This morning I heard on the radio about the case of a man who was kept in jail for several months for having stolen the sum of $1.96. I agree with the Liberals who speak with great affection in committees of the house about the rights of the accused. All lawyers who have to do with this type of thing realize that there is a great injustice in this country in this regard. The Liberals will rubber stamp this section, but when they get back to practising law they will find out how important a piece of legislation was passed this afternoon. I have a responsibility to the Canadian Bar Association and to the citizens of this nation. I ask the house leader to let this matter stand until the Minister of Justice can be here to answer the questions I have raised.

I repeat that defence counsel, in order to find out the Crown's case, must cross-examine at the preliminary hearing. What this measure will mean is that if the defence counsel obtains a bad answer at the preliminary hearing the Crown can ask: "Did you make that statement, without having to apply to the court to have the witness treated as hostile. They have to allege some inconsistency. This is not left to the discretion of the court but to the discretion of one man, namely, Crown counsel. As the house knows, Crown counsel, like other people, are affected by the environment they live in over the years.

I am glad that this bill came up for third reading so that I can raise this matter again. We do not have a chance to stop the government. They say they have a mandate. They are trying to tell us they had a mandate to bring in some of the changes to the Criminal Code and that they went to the people on those sections. I bet there was a quiet whispering campaign in some of the constituencies where there are people with certain religious beliefs and that certain sections of the Code were not too much emphasized so that some of the Liberals would be elected.

The Liberals never had a mandate to bring in this measure. It simply streamlines the Canada Evidence Act to serve the Crown so it can expedite its cases. It runs roughshod over the rights of citizens.

An hon. Member: How about the just society?

• (4:40 p.m.)

Mr. Woolliams: "The just society." I do not know what that means. It is one of those Madison Avenue pieces of propaganda.

I should like to hear from whoever is in authority. I see the leader of the house is back. This matter should wait until the minister is in his place. If ministers do not want to come here, let us lock the doors. Lock them now and say: Parliament is wasting time; send the members home with their $12,000 a year and their $6,000 expenses; get rid of the place, it is costing the nation too much; declare a dictatorship right now, because ministers will not come here to answer any questions or to speak in a debate.

I would like to have seen the Conservatives, when the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister, treating this house with the contempt the Liberals are showing now. I should like to hear what Mr. Chevrier would have said, what Mr. Pickersgill would have said, what Mr. Pearson and Mr. Martin would have said. Boy, they would have told the government where to get off! How they would have debated it! And, talking of filibusters, they knew how to run one.

This is the kind of nonsense we have to contend with today. Gentlemen, I say this: for goodness' sake, let Liberal members who got elected from good constituencies in Canada rise up and speak, even if it is against their own party.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I do not pretend to know whether the points raised by the hon. member for Calgary North (Mr. Woolliams) are valid, but he certainly made the kind of case which it seems to me ought to be answered, preferably by a minister, and unless someone else is ready to speak, particularly someone from the government side, it seems to me the house might agree to adjourn the debate on this matter and go on to something else. I can, of course, find out whether the house wishes to adjourn the debate simply by moving that the debate on Bill S-3 be adjourned.

[*Translation*]

Mr. Cantin: Mr. Speaker, I am ready to answer the hon. member for Calgary North (Mr. Woolliams).

[*English*]

The Acting Speaker (Mr. Béchard): Does the house agree that the parliamentary secretary may answer?

Mr. Woolliams: I want to hear from the minister. Why not the minister?

[*Translation*]

Mr. Cantin: Unfortunately, the minister cannot be here—

[*English*]

The Acting Speaker (Mr. Béchard): Order. There is no agreement.

Mr. Woolliams: I would make this suggestion on a point of order. I do not want to see the parliamentary secretary prevented from giving an answer. If he can assure us that the minister will also speak on this clause I will ask the house to give consent for him to speak again.

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I cannot give any assurance of that kind. Unfortunately, the minister cannot be here this afternoon because he is absent on official duty.

May I say I am very surprised that the hon. member should be adopting his present attitude because the bill was thoroughly discussed in the committee of which he is a member. I do not know whether he was present at the time, but this particular point was explained by the officials. The answer is that clause 10 still remains in force. This clears up the difficulty raised by the hon. member.

Furthermore, the amendment results from requests received from the Manitoba and Saskatchewan subsections of the Criminal Bar Association. In addition, the Canadian Bar Association at its annual meeting on September 9, 1967, passed the following resolution:

> Whereas there appear to be conflicting decisions as to whether a party may put to his witness a prior inconsistent statement until after a ruling of adverseness has been made by the court;
>
> Resolved:
>
> That section 9 of the Canada Evidence Act be amended to provide,
>
> (a) that by leave of the court a party might cross-examine his witness as to prior inconsistent written statements before a finding of adverseness;
>
> (b) that such examination might be used by the court in determining whether a witness is adverse.

In these circumstances I am surprised that the hon. member should have referred as he did to the Canadian Bar Association, this suggestion having been made by that Association.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Is the hon. member for Calgary North satisfied?

Mr. Woolliams: No, I am not.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think my motion should be put. I therefore move, seconded by the hon. member for Edmonton West (Mr. Lambert):

> That the debate on the third reading of Bill S-3 be adjourned.

I hope the house will accept this motion so that we can have a statement from the minister on a later occasion.

The house divided on the motion (Mr. Knowles) which was negatived on the following division:

• (4:50 p.m.)

YEAS

Messrs:

Aiken	Caouette
Alexander	Carter
Baldwin	Coates
Benjamin	Code
Brewin	Crouse
Burton	Diefenbaker
Cadieu (Meadow Lake)	Dionne

Division

Fairweather
Gauthier
Godin
Grills
Hales
Harding
Hees
Howe
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Latulippe
Lewis
Lundrigan
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean
Macquarrie
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Matte
Monteith
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Noble
Nystrom
Peddle
Peters
Ritchie
Rondeau
Saltsman
Schreyer
Scott
Simpson
Southam
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Woolliams
Yewchuk—60.

NAYS

Messrs:

Anderson
Andras
Badanai
Basford
Béchard
Benson
Borrie
Boulanger
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chrétein
Clermont
Cobbe
Côté (Richelieu)
Côté (Longueuil)
Cullen
Danson
Deachman
Douglas
Dubé
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Givens
Goyer
Gray
Guay (St. Boniface)
Guilbault
Hellyer
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Laing (Vancouver South)
Langlois
Laniel
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Macdonald (Rosedale)
MacEachen
McBride
Mahoney
Marchand (Langelier)
Munro
Noël
O'Connell
Orange
Osler
Pelletier
Penner
Pilon
Portelance
Reid
Richardson
Rock
Roy (Laval)
Ryan
Serré
Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St-Pierre
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Walker
Watson
Whelan
Whicher
Whiting—89.

[Mr. Knowles (Winnipeg North Centre).]

• (5:10 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before proceeding with private members' business it is my duty, pursuant to standing order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Moose Jaw (Mr. Skoberg)—Vocational Training—opportunities for unemployed to improve technical skills; the hon. member for Hillsborough (Mr. Macquarrie)—External Affairs—satellites—exchange of letters between France and Quebec; the hon. member for Nickel Belt (Mr. Serre)—Education—recommendations of the Franco-Ontarian committee on cultural life.

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.

NOTICES OF MOTIONS

VETERANS AFFAIRS

SUGGESTED MEDICAL EXAMINATION OF FORMER PRISONERS OF WAR

Mr. Jack McIntosh (Swift Current-Maple Creek) moved:

That in the opinion of this House, the government should give consideration to the immediate organization of a program of medical examination of all members of the Canadian Active Service Forces who were prisoners of war in World War II, who have not been medically examined within the past five years either by the active treatment services of the Department of Veterans Affairs or on its behalf or by the Canadian Pension Commission to ascertain the effects of privation, malnutrition, injury or ill treatment on such personnel even before complaint of illness, if any, so as to forestall the onslaught of many disabilities and to prevent much later suffering and expense.

He said: I might inform the house, Mr. Speaker, that I was prompted to put this motion on the order paper after consultation with many of my colleagues in the Conservative Party, particularly those in our veterans affairs caucus committee. I am aware there have been previous representations to the Minister of Veterans Affairs (Mr. Dubé) on this subject, not only by veterans organizations and individual Members of Parliament

who have had to deal with this type of problem through correspondence with many of their constituents.

One of the main reasons for putting this motion on the order paper arises from conversation with the former minister of veterans affairs, now the hon. member for Edmonton West (Mr. Lambert), who has had experience not only as a prisoner of war and pensioner but has some idea of what we are trying to do. I would like for a moment to refer to correspondence between the hon. member for Edmonton West and the present Minister of Veterans Affairs. I do not have to say much about the letter sent to the minister on July 9, 1968, by the hon. member for Edmonton West, but perhaps to lay groundwork for further discussion on this motion I will read portions of both letters. In part the hon. member for Edmonton West stated:

> On a number of occasions in the past I have spoken in the House and privately to your predecessor, about the advisability of now calling in all prisoners of war, save the so-called Hong Kong group for whom this has been done on a separate program, for a thorough physical examination. Many of these men are presently pensioners and their medical histories have been established by the Canadian Pension Commission. The great majority, however, have not been near doctors of the commission or of the departmental treatment services. So many of them should, for their own good and for the benefit of both the commission and your own officers. Long term effects of varying periods of privation and hardship (different than that of men who fought long hard battle campaigns) are at work and the results must be assessed.

He goes on to say:

> Much valuable time has been lost as it is approaching 25 years since release.

He is referring to the former prisoners of war:

> The fact that I was one of them and now have a limited pension entitlement should not blur my objectivity. I have discussed this at length with a number of ex-P.O.W. who generally share my views.

The minister replied that they were going to consider this matter. He said in part:

> As you know, the Hong Kong survey was conducted by the medical advisory branch of the Canadian Pension Commission. It is generally agreed that during the period of their internment the Hong Kong prisoners were subjected to slave labour, maltreatment and starvation, and suffered from diseases not commonly known in Canada. As a result, they now have disabilities, the extent of which were not fully realized until revealed by the review.

I would add at this time that the same conditions, although possibly to a lesser degree, apply to many of our veterans who were prisoners of war in Europe. The minister goes on to say:

• (5:20 p.m.)

> From time to time there have been suggestions made to the Pension Commission by veterans and their organizations that prisoners of war from the European theatre of war be surveyed in the same manner as were the Hong Kong veterans. While the European prisoners of war suffered great privations, the commission has been able to assess with a great degree of accuracy the resulting disabilities—

I doubt that, Mr. Speaker.

> —and accordingly it has been felt that there is not the same need for a review along the lines carried out in the case of the Hong Kong group.

With that statement I disagree. The minister goes on to say:

> —the suggestion contained in the resolution passed at the Dominion convention of the Royal Canadian Legion outlines a slightly different procedure than that so far advocated. Your request is that all prisoners of war, aside from the Hong Kong veterans, be now given thorough medical examinations. Since this would include non-pensioners as well as pensioners, it could best be done by our treatment services, and I will ask them to consider the suggestion with a view to ascertaining the extent of the problem.

I hope the minister has consulted the treatment services branch of his department and that the result will be favourable. I say this because in many cases we have had requests for assistance from some of these men who were prisoners of war and who have no documentation as to their disabilities. On their release many prisoners of war were very glad to get home quickly and as a result of their urgency were not properly documented by our medical services at the time of their discharge.

Many of these men after their release felt they could go back into the stream of life, to their former vocations or into some new trade, and make a living for themselves and their families. We have received many briefs pointing out that some of them were not able to do this because the disabilities they suffered while prisoners of war have since shown up. Now they have difficulty establishing that their condition is the result of disability suffered during service to their country.

The nation has a national obligation to all of these men whether we admit it or not. Most of them were volunteers at the time that their country needed them. They dropped whatever they were doing and volunteered for service. Regretfully, I say, possibly the medical examination given to some of these

men when they were attested was not what we would have liked it to be, and now we get reports from the Canadian Pension Commission, when applicants apply for pensions, that the disabilies from which they are now suffering are of pre-enlistment origin. I do not see how the commission can make such a decision with the lack of evidence before it, since the medical examination at the time the men were attested was very scanty and in many cases did not detect any disability.

I would also remind hon. members that we who have the privilege of sitting in this house representing the people of Canada have an additional obligation to see to it that our veterans are not just remembered on Remembrance Day for their services to their country but that they receive a square deal 365 days every year. This does not apply solely to the veterans for whom this plea is made. It applies to the families of the veterans, to the families of enlisted men who were prisoners of war and who are now suffering disability as a result of service to their country. We have an obligation and a responsibility to do what we can to further the desire of our country to look after our veterans.

The branches within the department have two responsibilities. Granted, one is to watch the pursestrings to see that no one gets a pension to which he is not entitled. However, I would say there is not enough emphasis given to the benefit of the doubt clause, section 70, about which we have heard so much. The other responsibility is to see that the country's obligation to those who served in the armed services is carried out.

To bring this matter a little closer home to members of the house, Mr. Speaker, I wish to say I know of several veterans on the House of Commons protective staff who are suffering because of their service to their country. For example, just the other day one member of the protective staff had a severe stroke. He is a disabled veteran. In fact ever since leaving the armed services he has lived with one lung. He thought he could carry on. However, because of chance, and maybe because of the nature of his duties, he suffered a stroke. He has been in receipt of only a 20 per cent disability pension stemming from his service to his country. Now his wife and children are going to suffer the consequences if he passes on, as many people do after suffering such attacks.

There are also other people serving on the protective staff who have nervous disorders which may or may not be as a result of service to their country, but we have ample proof in briefs from various veterans organizations, complete with medical reports, to show that we in Canada and authorities in other countries are not yet aware of the results of spending a long time as a prisoner of war. I would like to read portions from some of these briefs but they contain some almost unpronounceable medical terms.

I am sure many hon. members will agree that the requests for assistance they receive from veterans fall into three categories. In this instance I am referring to late applicants who up until now have not made application to their country for a pension, those who are having difficulty in establishing that their present illnesses are attributable to war wounds.

This is very difficult in the case of what we call a good soldier. Most men who have served in the armed services know that a good soldier very seldom went on sick parade. If he could possibly walk he did not go on sick parade. I am not trying to belittle those who did get pensions, those who had complete medical reports, and I am not saying it was very easy for them to get pensions. But many men, no matter how ill they were, did not report to the M.O. unless they were carried there and forced to go to hospital. These are the people who are now having difficulty in establishing their right to the pensions that the people of this country promised them if they ever needed them. The people I am talking about are very proud. I know most hon. members must have a number of letters on their files from such persons.

The second category of request deals with the conditions of service under which men served, and the third relates to P.O.W.'s.

All of us know that when men were P.O.W.'s, particularly in the European theatre and I assume the same applies to other theatres, no medical records were kept of their disabilities and other troubles during the time they were P.O.W.'s. With respect to the Dieppe veterans I understand this covered a period of three and a half years. At the moment I am not referring to the Hong Kong prisoners who were looked after, perhaps not as well as we would have liked but I think they are quite satisfied with the treatment given them by the country they served. But there are a great number who were prisoners of war in the European theatre and who should get the assistance that the country promised them.

I could refer to many articles on this subject that have appeared in the press. I have a

large file on them but I do not want to take up the time of the house quoting them because I am sure someone on the government side will want time to reply.

• (5:30 p.m.)

I see the chairman of the Committee on Veterans' Affairs in the house. He may have something to say about this, and I know there are some members on this side of the house who want to say a few words. Let me refer to some of these articles which I have mentioned.

The first is from the Sault Ste. Marie *Star* dated May 7, 1966. The heading of the article is "Reneging on High Promises". Let me just read the concluding paragraph:

> It is hard to believe that, even twenty odd years after that period when nothing was too good for "the boys", Canadians in general can be complacent about this sort of reneging when it is brought to their attention.

Another article is taken from the Oshawa *Times* dated January 13, 1966. Again, I will just read the last paragraph:

> None in Canada would quibble on the fact those veterans who remain deserve a new pension deal. As the Charlottetown *Guardian* says, the surprising thing is that they have been made to wait so long for it.

There are many articles which support this desire of the people of Canada. If those members of this house who are interested in the reason this motion was originally placed on the order paper want more support, let me refer to a brief presented to the committee on veterans' affairs by the national Dieppe Prisoner of War Association. I do not intend to read the brief, but the opening part reads:

> The Dieppe raid, one of the most scaring engagements of the second world war took place on August 9, 1942.
>
> Of the 5,000 Canadian troops who set out for the coastal town in Normandy only 2,000, mostly men who did not land, came back.
>
> Records show that 1,946 men, most of them seriously wounded, were taken prisoner. It is also recorded that 72 of these men died in captivity.
>
> The period of imprisonment for those who survived was approximately three years.
>
> In 1953 the federal government established a war claims commission and named Mr. Justice Thane A. Campbell as chief commissioner.
>
> In his report, Mr. Justice Campbell found that general maltreatment did exist in prisoner of war camps in Europe where Canadian troops were imprisoned and that extraordinary brutal treatment had been proved in many cases. The finding of the war claims commission resulted in granting almost equal awards to both Hong Kong and Dieppe prisoners of war.
>
> The effects of imprisonment have for some years been a matter of grave concern to those Dieppe prisoners of war who still survive, and it is their hope that the government will instruct the standing committee on veterans' affairs to conduct an inquiry into their plight which is in so many ways identical to that of the Hong Kong prisoners.
>
> Among these similarities are the prevalence of peptic ulcers, lumbar spine disabilities, nervous disorders and other problems commonly attributed to avitaminosis.

I am sure members are aware that a number of the staff of this house are among those referred to in this brief, which then states:

> The Standing Committee on Veterans' Affairs have for some time known that the circumstances of the Dieppe prisoners of war should be reviewed along the lines of what has been done in the case of the Hong Kong prisoners.

That brief contains a number of recommendations, and sets out certain war conditions under which these prisoners of war existed. There are medical reports which indicate the actual disorders we can now look for in these former prisoners of war. All of us who know certain individuals who were prisoners of war can see signs of these disorders.

In order that this country live up to its responsibilities, I suggest that the minister or the chairman of the Committee on Veterans Affairs give serious consideration to this motion. I am sure the country would not begrudge the cost of this proposal. I understand that the amount of money given to all disabled veterans does not amount to any more than hon. members vote each year to the C.B.C. Were it not for the type of people who were prisoners of war there might not have been a Canada today, and perhaps there would not have been a C.B.C. There are some who might suggest we should have lost the war when we take this fact into consideration.

I am not aware of the number of veterans who might be called in under this survey. Perhaps some veteran or another member could provide that information. In any event, I do not think the number could be very great. It is the responsibility of all of us who have been elected by the people of Canada to see that this obligation is fulfilled.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to congratulate the hon. member for Swift Current-Maple Creek (Mr. McIntosh) for bringing this matter to the attention of parliament, and for this excellent way of focusing attention on the needs, if needs exist, for the treatment of our prisoners of war. They certainly do merit special consideration.

Prisoners of War Medical Examinations

With reference to the Hong Kong prisoners of war referred to by the hon. member, the parliamentary Committee on Veterans Affairs recommended that this group receive special consideration. No group of Canadian prisoners of war have ever suffered from starvation, slave labour, general maltreatment, and diseases not commonly known in Canada as did the Hong Kong prisoners of war during the period of their internment. Some of the diseases and disabilities which the Hong Kong prisoners incurred were not fully understood until the review by Dr. Richardson was completed. In fact, this review revealed that these men suffered much more severe disabilities as a result of avitaminosis than previously assessed. Consequently, pension increases, in many cases quite substantial, were granted.

While it is true that prisoners held in the European theatre suffered many privations it has, nevertheless, been possible to assess with a great degree of accuracy the extent of the disabilities resulting from such privations. Furthermore, the study of the plight of the Hong Kong veterans has given the commission a much sounder basis from which to work in dealing with the assessment of disabilities incurred by all prisoners of war. Of course, it goes without saying that if conditions common among Hong Kong prisoners become manifest in other prisoners, the same consideration will be given. In the meantime, prisoners of war of whatever theatre are free to request re-examination at any time. If such an examination reveals that pensionable conditions have become worse then, of course, the pension would be increased.

Representations, on behalf of Canadians who were prisoners of war in Europe, and particularly those taken prisoner at Dieppe in August of 1942, have been under study intermittently for years. The evidence examined to date does not indicate residual disability comparable in kind or degree to that experienced by prisoners in Japanese hands. Tentative plans have been drafted for a more comprehensive study beginning with a review of the records and files of ex-European prisoners.

Dr. H. A. Richardson, the deputy chief medical advisor, has made a study in depth of the points raised in the brief alluded to by the hon. member. Those points have been very carefully considered by the medical advisory branch in recent years.

• (5:40 p.m.)

The evidence examined to date does not indicate residual disability in ex-European prisoners of war comparable in kind or degree to that experienced by prisoners in Japanese hands. In other words, the prisoners in Japanese hands suffered privations which resulted in residual disabilities, such as avitaminosis, which are not apparent in any other group of ex-prisoners of war, and there is no evidence to establish that the European prisoners of war merit the type of survey which was conducted of the prisoners of war held by the Japanese. It is obvious that since these prisoners of war held by the Japanese obtained certain additional benefits as a result of the survey undertaken some years ago, the European prisoners of war are demanding the same type of survey in the hope that they will receive the same benefits. As Dr. Richardson points out, there is no evidence to indicate that they would be in any way entitled to the benefits granted the prisoners of war held by the Japanese or that such consideration is merited.

As everyone knows, prisoners of war have over the years been given special consideration by both the Canadian Pension Commission and the treatment services of the Department of Veterans Affairs. These ex-prisoners of war are still free to report for medical examination for any condition, at any time. At the moment, the medical advisory branch of the Canadian Pension Commission has drafted plans for a more comprehensive study of the files of all ex-European prisoners of war, and this will start with a review of a random sample of records.

Dr. Richardson has suggested that the possibility of having a survey conducted by persons not connected with the Canadian Pension Commission or the Department of Veterans Affairs might be considered. While the results of any such survey, with particular reference to pension payments and treatment, would have to be considered by both the treatment services and the medical advisory branch, such a study would nevertheless have the advantages of being undertaken by an independent group.

Our medical advisory branch has already concluded, from the information they have obtained to date, that the ex-European prisoners of war suffered no special disabilities other than those suffered by the regular serviceman who was exposed to normal combat conditions. Under the circumstances, it might be thought by this group that any report prepared by our own medical advisers might be prejudiced. In any case, such an independent survey would either support the opinion of our medical advisory branch or indicate that

it is not necessarily correct. Further action, if it is found to be necessary, will without question be taken.

I realize, Mr. Speaker, there are others who wish to take part in this very important debate. At one time I thought the hon. member who introduced the motion was going to talk it out himself. I would not wish to deprive other members, who are very anxious to participate in the debate, of the opportunity to do so. Again, I say that I am very pleased the hon. member saw fit to bring this motion to the attention of the house.

Mr. Hees: Mr. Speaker, I rise on a point of order. During the first half hour this motion was before the house, a motion dealing with the veterans of Canada who gave so much in blood, sweat and sacrifice to their country, not one member of the cabinet nor parliamentary secretary was in the house. No member of the cabinet has since entered the chamber. At 5.30 one parliamentary secretary only, the parliamentary secretary to the President of the Privy Council (Mr. Macdonald), sat down, took no interest in the debate, and started reading something. This simply exemplifies the lack of interest of the Liberal government and Liberal members in the affairs of our veterans who gave their lives and blood for this country.

[*Translation*]

The Acting Speaker (Mr. Béchard): Order. That is not a point of order.

[*English*]

The hon. member for Edmonton West (Mr. Lambert).

Mr. Saltsman: Mr. Speaker, I rise on a point of order. I appeal to the Chair to recognize a member from this party because of the importance of the motion that is before us. A distinguished member of the Progressive Conservative party introduced the motion and spoke to it. A Liberal member has spoken to it, and our party would like the opportunity of speaking to it, if this is at all possible.

Mr. Lambert (Edmonton West): Mr. Speaker, may I raise one small point here? Unless my memory is wrong, I am the only prisoner of war who is a member of this house. This motion deals with a subject which I have tried many times to put forward. There are a number of people who have done a great deal of work in this regard, and I should like to refer to them. If the hon. member for Waterloo (Mr. Saltsman) can guarantee that he will leave me five minutes, that is fine; otherwise I shall ask that I be heard first.

Mr. Saltsman: I would be very pleased to keep my intervention down to about seven minutes, Mr. Speaker.

Mr. Lambert (Edmonton West): That is fine.

Mr. Max Saltsman (Waterloo): Mr. Speaker, the hon. member has placed a very important matter before the house and I congratulate him for so doing. We, in this party, wholeheartedly support the purpose and intent of his motion. Thinking back to my own war years and those following the war, I can recall how grateful the Canadian public seemed to be to those men and women who offered their services at a time when the country needed them most. I can also remember how full of goodwill and resolve were the Canadian public at that time to see that nothing but the best was done for those who returned, not so much because they deserved it in their own right but as recognition of what had been done.

We are really recognizing what our veterans did. It is like giving a medal to somebody. It is a form of recognition of those men and women who did not come back. This is one of the ways in which we can remember them. All of us can remember standing for two minutes of silence in the cold weather of Remembrance Day and thinking that if there was something we could do to honour the memory of those who did not return, we would do it. This is one such opportunity that I think the house should take to ensure that we honour the memory of those who did not return. We can do it by accepting this private member's motion.

I think it would establish a very important principle if, instead of waiting for a veteran to be so incapacitated that he had to come pleading to the Department of Veterans Affairs for assistance, we would help him before he had to crawl to us. I think this is important. If somebody comes pleading to you and you help him, it is not quite the same thing; you are in effect giving him charity. When you say, "We remember what you have done and will do what we can on your behalf," the principle is entirely different.

As has been pointed out, many veterans do not ask for help at the time an injury occurs to them. As a result 20 or 30 years later they find they have been damaged as a result of their war activities, but have no proof that the damage resulted from war service. This is very important, particularly if, as I think is

the case, the Department of Veterans Affairs is wrong in its interpretation of the benefit of the doubt clause. We all know that there is very little benefit of the doubt given to our veterans. Those of us who have had to deal with veterans' problems know that a man must have almost incontestable proof his injury resulted from war service before he is eligible for assistance. The motion before us is one way of assisting the veteran in this regard, and it would be a more dignified way than we have adopted in the past. However, by accepting the principle of the motion we open the door to other things. Perhaps the hon. member for Swift Current-Maple Creek (Mr. McIntosh) will excuse me if I add some of my own ideas to the motion and say that we should go beyond what he requests. What we should be doing at this time is to provide a guaranteed annual income for all veterans. We are going to have a guaranteed annual income for the citizens of this country. I am certain of that, although it might be five or eight years from now. It would be a tragic thing if when that guaranteed annual income were established it was too late for those who fought in the wars. Let us have it now, and let us start with our veterans. Let us get rid of this benefit of doubt situation. Let us go beyond the prisoners of war, although I agree that the principle of starting there is a good and valid one. Let us recognize the great work that the sons and daughters of Canada did on behalf of their country and be generous, humane and grateful for their efforts.

• (5:50 p.m.)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this notice of motion deals with a more limited number of men than might be seen at first blush. The purpose of it is to bring within medical survey those members of Canada's active armed forces during world war II who were prisoners of war and who have not, for one reason or another, been medically examined in the last five years by either the Canadian Pension Commission or someone on its behalf or by the treatment services of the Department of Veterans Affairs. The purpose of this motion is not to establish pensions for prisoners of war, but rather to do for some of them what was so needed for the Hong Kong prisoners of war. I will be the first one to admit that the degree of privation and malnutrition of European prisoners of war, except perhaps in the odd case, was not nearly as severe as it was in the case of the Hong Kong prisoners of war. It took a lot of pushing and prodding by members of the opposition and by some members on the government side some three or four years ago to have all of those members of the Hong Kong force who could be located examined.

There is a rather ironic incident that was told to me by a member of that force who comes from Saskatchewan. I met him during the last election campaign. He said he was called in for an examination and he went to Regina to be examined to see whether he had suffered any disability as a result of having been in Japanese hands. Whom did he meet but a Japanese doctor who was acting on behalf of the Pension Commission. Sometimes some people just do not use their heads. It put both men in a very difficult position. I am sure that the doctor himself would not have willingly accepted that task if he had known what was going to happen. What this Hong Kong veteran said to me afterwards was not printable and certainly should not be repeated. He did not think much of the type of service that had been given to him.

The Dieppe Prisoner of War Association was organized by a former Royal Canadian Engineer, one of the real sluggers. This chap by the name of Sandy Shusterman is now a taxi driver in Toronto, and an indefatigable man working in the interest of prisoners of war. The Dieppe Prisoner of War Association has tried to encourage prisoners of war to get together to make representations. They should emulate New Zealand Veterans. I have never seen such a strong organization of veterans as the New Zealand Prisoner of War Association who have been very active in keeping the interests of their members before the governing authorities.

The purpose of this motion—and both the hon. member for Swift Current-Maple Creek (Mr. MacIntosh) and I collaborated very closely on this—is to get those men who have not been seen by the Pension Commission or the treatment services within the last years, examined and documented. For one thing preventive medicine is better than curative medicine at any time and, as my colleague said, the records of illnesses during those two or three years that the men were imprisoned were not very complete.

I can tell you, Mr. Speaker, that there have been occasions when I have had to make a personal statement in support of one of those people who were in my camp attesting to the fact that this man had suffered from a cold and from certain privations because 10 or 15

years after liberation he developed tuberculosis or some other ailment of which there was no record. Because the man happened to have an old bronchial scar which showed up in his discharge records, it was said that the scar had been incurred prior to service. Every kind of excuse was given to refuse a legitimate claim to benefits while the man was undergoing treatment to cure tuberculosis. There were other ailments, such as stomach illnesses. I know of several men who are suffering from arthritis and nerves. There were also cases of alcoholism. Unfortunately, I know of several chaps in the same camp as I was who have undergone serious bouts of nervous depression. For some of them it has been too much, and they have done away with themselves.

If I had continued as minister, it would have been my aim to bring all of those men in and have them examined long before now. Such an examination would give us the records of what privation and malnutrition will do. I also suggest to the members of this house that in the long run it would save us some money because some of these men are going to develop serious illnesses which may be attributable to pensionable disabilities. Their lives will be shortened. We may be faced with heavy expense in treating a disease or some disability that is pensionable, and there may be a great argument about it. They become very hard cases. We should catch these conditions early and deal with them. Not only are we salvaging a veteran and adding some years to his life, but we will be learning more about the effects of the type of life veterans had to endure for some period of time. As I said, there are not that many men. Among the Dieppe prisoners, there were over 2,000. A number of them, like myself, have been through the hands of the Pension Commission for one reason or another. Some of them are now dead. On the army side there are not that many who have not been checked out. I would say today that the men we are really looking for are chaps from the air force because over the period from September 1939 to May 1945 many of the prisoners of war were airmen who had been shot down. The certainly outnumber the army prisoners of war.

I do not say that a prisoner of war has a greater claim to consideration from the point of view of sentiment or of the duty that he performed. He was a serviceman like many others, but he did not have to go through battle, as many did. So far as I was concerned, I was in one battle and that was it.

• (6:00 p.m.)

I do not say my treatment was worse than that of many other servicemen. We did tend to lose an awful lot of weight, and I did not weigh nearly as much when I was captured as I do now. But all my friends in my old regiment say the same thing, there is something in each case which goes back to those days when we were incarcerated in cold buildings during the winter and given poor food to eat. Then, there were the mental pressures, and so on. So, I make a plea to the government to take up this question. There are not many men involved, relatively, and I do not believe the expense would be great. It would take some time to organize, but I think something should be done. I will put the question—

The Acting Speaker (Mr. Béchard): Order. The hour appointed for the consideration of private members' business having expired I do now leave the chair to resume the same at 8.00 p.m.

At six o'clock the house took recess.

• (8:00 p.m.)

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

CANADA EVIDENCE ACT

AMENDMENTS RESPECTING ADMISSIBILITY OF EVIDENCE

The house resumed consideration of the motion of Mr. MacEachen (for the Minister of Justice) for the third reading of Bill S-3, to amend the Canada Evidence Act.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a few remarks to make prior to consideration of the actual contents of Bill S-3. The first matter I want to raise may result from inadvertence, and I want to give the government house leader every break that is possible. Both of us are members of the committee on procedure and realize that the purpose of the change in the rules governing the legislative process was to shift the emphasis in the debate to the report stage and the third reading. Over the dinner hour, I searched diligently but could find no record of the transcript of our discussions in the

justice committee relating to this bill. How on earth can any reasonable person expect the members of this house to be able to discuss this or any other bill under these circumstances, having changed our procedure to put greater emphasis on the value of committee hearings?

As has been said by members on both sides of the house, hon. members of the house were to be given the opportunity to delve into the details of the bill and put their comments on record at committee hearings. In this way, they would not waste the time of the house asking questions. There are some sections of this bill that bother me.

I also went through the records of the Senate, with no cumulative index to assist me, to see when the legislation was handled there. What one has to do, Mr. Speaker, is to take the *Hansard* report of the other place and go through it section by section to see when the bill went through second reading, when it went through committee, and when it was read a third time. Third reading in the Senate occupied four lines. In other words, the record of the other place, as far as I and other hon. members are concerned, revealed precisely nil by way of any explanation of this bill, and was of no assistance.

Mr. Knowles (Winnipeg North Centre): Abolish it.

Mr. Lambert (Edmonton West): I would not agree with the hon. member for Winnipeg North Centre (Mr. Knowles) there, because I have gone back to the reports of a committee of the other place that has examined the bill with care and the evidence and questioning have been of great help. But in this particular case, I cannot rely on what happened in the other place.

I hope that the government house leader, in calling this bill, was not aware that our own reports were not ready. In such circumstances, how are we going to place proper emphasis on the report stage and on third reading? We have downgraded second reading stage by having fewer speakers and by agreeing that bills go to committee for examination so that hon. members are equipped to deal with them there. Yet, here we have this particular item called in the house and we have nothing to assist us. Either we have to stop this nonsense here and now, or what we hoped and I think quite rightly, was to be a change for the better in our procedure will go for naught.

It must be remembered that there are certain housekeeping requirements between hearing evidence in committees and the appearance of the reports which are made available to hon. members. I may be wrong about this; I thought my search during the dinner hour was a rather thorough one. I know that my secretary is a fairly faithful and competent woman who keeps my filings up to date. But as I say, I looked and looked and I could find no reports. If hon. members correct me and tell me that the reports regarding the study of Bill S-3 are in their hands, then I will apologize. Until that is established I will say that the calling of this bill at this time was an imposition on the house. It was quite unfair. I hope we are not left in the position, with other bills to come before us, of not having in our possession copies of the committee hearings. I know certain committees work faster than others, and I have no cause for complaint about the Committee on Finance, Trade and Economic Affairs, of which I am a member. Everything works fairly well in that committee; bills are sent to us to be studied and transcripts of proceedings are readily forthcoming.

• (8:10 p.m.)

I wish to emphasize that unless steps can be taken to schedule properly the report stages and third reading stages of bills before this house, we ought to forget the new rules and revert back to the old rules. We ought to have committee transcripts in our hands at report and third reading stages.

Some hon. Members: Hear, hear.

Mr. Lambert (Edmonton West): I am not saying the old rules necessarily were any better than our present rules; but please do not say you are going to make a change, claim advantages for that change, and then not deliver the goods.

Mr. Woolliams: They cannot deliver the evidence given before the committee.

Mr. Lambert (Edmonton West): My next point is made with all due apology and is not meant personally against any parliamentary secretary. I support my colleague for Calgary North (Mr. Woolliams) and other hon. members of the house—after all, we have reached a stage of particular importance with regard to this bill—who asked for the responsible minister to be here to answer to the house. The parliamentary secretary may be able to give us certain information, but under our

system parliamentary secretaries have no responsibility. For this house to question the parliamentary secretary and hold him responsible for answers touching questions of policy is quite improper under the rules unless the roles of parliamentary secretaries are changed. Personally, I should like parliamentary secretaries to be given greater responsibilities. Their positions ought to have some tangible meaning. But that has not been done. All power is kept in tight, grubby little hands.

Mr. Brewin: Grubby or crummy.

Mr. Lambert (Edmonton West): It is only natural for members like the hon. member for Calgary North to be concerned about the implications of clause 2 of the bill, which amends section 9 of the Canada Evidence Act. If ever a clause sought to load the dice in favour of the prosecution, it is clause 2. I see the parliamentary secretary shaking his head. I hope he has had even one tenth the experience in court of the hon. member for Calgary North, to say nothing of the right hon. gentleman for Prince Albert (Mr. Diefenbaker). This clause purports to say that when a witness is to be declared hostile a statement merely has to be made to the court to the effect that there is a difference between the evidence being given at the moment and evidence that was given elsewhere. The prior evidence must be reduced to writing. The court then is invited to declare the witness hostile. I say that is wrong. There must be proof of the facts alleged. A witness ought not to be declared hostile merely on the word of one man. After all, the entire matter ought to be looked into by way of examination and cross examination.

The hon. parliamentary secretary may not have the experience that trial lawyers have had with preliminary hearings, après enquête. It is not necessary for defence counsel to call witnesses. Defence counsel has the right to examine the Crown's witnesses to see what kind of case the Crown has. There is a stage in justice where a preliminary hearing is held in order for the court to determine if there is sufficient evidence to substantiate the charge. That is, if there is a prima facie case. The accused or his counsel have the inalienable right to examine every iota of evidence put forward by the Crown to determine whether there is evidence to substantiate the laying of the charge. Of course, the Crown calls its witnesses, not necessarily all of them, to substantiate the validity of the charge, in the judgment of the Crown. That evidence is recorded. Later, if there is the slightest difference between the evidence given at the preliminary inquiry and the evidence given at trial, the Crown prosecutor does not even have to prove the preliminary hearing transcript, because the wording of clause 2(2) is:

> Where the party producing a witness alleges that the witness made at other times a statement in writing, or reduced to writing, inconsistent with his present testimony, the court may, without proof that the witness is adverse—

And so on and so forth. That is how a witness may be declared adverse and to my way of thinking this clause attempts to load the dice in favour of the Crown.

The minister ought to be here, Mr. Speaker. What were the government's reasons for bringing in such amendments? It must have had its reasons, although we do not know them not being possessed of the testimony given before the committee. We do not know what that testimony was and yet we are asked to pass this bill. The basic reason the hon. member who sought to adjourn debate on this bill this afternoon had for bringing forward his motion was that there is no transcript before the house of the evidence taken in committee. We therefore wonder why the government has advanced these amendments to this section.

I find myself very embarrassed, Mr. Speaker, at third reading to be asking such questions. After all, I am not a member of the committee that studied the bill, and that is the difficulty. Reasons for advancing these amendments may have been furnished before that committee but we do not know of those reasons because we have no transcript. The burden is on the government proposing the change to substantiate the need for this change in the law. The clause appears to me, and I am a lawyer, to be loading the dice in favour of the prosecution. That is all I will say on the point. But before I consent to passage of this bill, there must be a satisfactory explanation of the government's thinking. That explanation might be made available either through adjourning the debate so that we can obtain the transcript of evidence taken before the committee or by calling the minister—or at least having him present in the house—and allowing him to explain the government's thinking on the matter.

• (8:20 p.m.)

My second point deals with clause 3 which purports to amend section 29 of the act and the definition of a financial institution. Again I wish we had the transcript of the committee

proceedings. Does a financial institution as defined under section 29(3)—I am referring to the bottom of page 3 of the bill—include treasury branches in the province of Alberta? There is a recent case, Green versus the Treasury Branch of Alberta and other parties, which alleges as a defence that the Treasury Branch is not a financial institution within the meaning of the act. This case went to the Supreme Court of Canada. Bill S-3, at the top of page 4 reads in part:

—any institution incorporated in Canada—

It is my information the Treasury Branches of the Province of Alberta are merely emanations of the treasury of the provincial government. I have never known the treasury of a province to be deemed to be incorporated. Therefore, by omission, do we perhaps have here a form of financial institution? These branches do a tremendous business in the Province of Alberta. One can consider the volume of business being transacted by the Caisse Populaire in the Province of Quebec which is comparable to the Treasury Branches in Alberta.

[*Translation*]

What did you say?

Mr. Jean-Charles Cantin (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, I would like to ask the hon. member if he is aware that the amendment has been requested by the credit unions of the province of Alberta?

Mr. Lambert (Edmonton West): By the caisses populaires of the province of Quebec.

Mr. Cantin: By the credit unions.

Mr. Lambert (Edmonton West): Very well, but I am referring to the Treasury Branches—

[*English*]

Treasury branches are financial institutions carrying on the business of banking, and yet they have not been incorporated. Undoubtedly there was legislation in the past authorizing the government of the Province of Alberta to create branches of the provincial treasury. I would like to know from the minister—

An hon. Member: He isn't here.

Mr. Lambert (Edmonton West): —or perhaps then the parliamentary secretary, as to whether the question of the provincial treasury branches of the Province of Alberta has been considered in the light of this amendment. If not, then somebody had better do their homework. The debate should be adjourned and the necessary amendment moved to cover the point.

I have approached this bill as a Member of Parliament as well as a member of the legal profession. I have been unable to obtain any information regarding this act. Perhaps, Mr. Speaker, I have belaboured the point but I want to emphasize it and over-emphasize it, not only for this act but for other acts. My point is that unless and until the committee system is working sufficiently well to have the transcript of evidence before the members of this house no bill can be considered. I stress this point to the government house leader, and ask him to clarify this point. I am certain the hon. member for Sudbury (Mr. Jerome), who is a lawyer as well as a member of the Procedure Committee will agree with me on this point. We agreed everything in our committee discussions would be transcribed at a later stage and everyone would be better informed. However, on this bill, Mr. Speaker, we are less informed. On that point, I would like to hear from both the Minister of Justice (Mr. Turner) and the government house leader.

Mr. Andrew Brewin (Greenwood): I do not intend to speak very long on this bill. I am a member of the Justice and Legal Affairs Committee and I share the feelings of the hon. member for Edmonton West (Mr. Lambert) when he complained of the absence of the Minister of Justice (Mr. Turner). I also agree with his complaint that we are asked to deal with the bill at this stage without having available to us the transcript of evidence given before the committee.

Having said that, I would now like to say that I see nothing difficult, sinister or improper regarding that section of the bill. It is a perfectly reasonable section and speaks for itself. It states, "the court may" not that "the prosecution may".

Mr. Lewis: Without proof.

Mr. Brewin: Without proof, certainly. Without proof of what? Without proof that the witness is adverse, a procedure which every practising lawyer realizes is a stupid procedure,—

Some hon. Members: Hear, hear.

Mr. Brewin: —whereby a witness must be provoked into some exhibition of irritation before being declared adverse. If this is not

done the witness cannot be cross-examined although he has been tampered with, has given a written statement, and is now giving a totally inconsistent statement. This amendment makes more sense than the law as it now is, and I do not know why so much time is being wasted on it.

Hon. Donald S. Macdonald (President of the Privy Council): I rise to deal with some of the observations made by the hon. member for Edmonton West (Mr. Lambert). I can assure him that his researches are correct. I am advised that the transcript of evidence is not now available of the proceedings in that committee. I am also advised that the committee on Tuesday, January 28 dealt with the bill for approximately one hour. No amendments were moved to change any provisions of this bill and more particularly with regard to the section which has so much concerned the hon. member for Calgary North (Mr. Woolliams) and the hon. member for Edmonton West. I can assure them there was no attempt to take advantage of hon. members. The assumption was made, because of the apparent non-controversial aspect of the bill, that we could proceed.

When I stated to the house on Friday that it would be called as the third item of business for today I understood there would be no objection to proceeding with it because there appeared to be general agreement with the terms of the bill. I do not think I have to apologize to the hon. member for Calgary North because he is a member of the committee and knows his rights. He could have exercised them in the Committee.

This bill has been before parliament for many months. It started, Mr. Speaker, in the other place. It was on the record of, and considered by, the other place for some time. It was then referred to this house. It was not a bill which was hidden behind a money resolution. These terms have been available to the house for a very long time, and to the hon. member in particular. The bill was referred to the Standing Committee on Justice and Legal Affairs, where it was considered and dealt with quite expeditiously. I think we had reason to believe there was no particular contest with respect to its terms. It was because of the understanding there was no contest that it was called forward to be dealt with by the house.

An hon. Member: It is never good to make assumptions.

Mr. Macdonald (Rosedale): I realize it is never good to make assumptions about the hon. members opposite. I must say I am concerned about the latent interest in this bill, but I think it can be reasonably said there was plenty of opportunity for investigation. No amendments were put forward at the committee stage. No hon. members, such as the hon. member for Calgary North, put forward any amendments. In my opinion it was not unfair to make the announcement last Friday. If any hon. member felt hard done by, then he should have spoken to me in that regard. My understanding was that the evidence would be available, but as I understand it there are different timetables for preparing the evidence and I quite appreciate the reasons for that.

• (8:30 p.m.)

On the whole I feel that no injustice has been done by calling the bill at this time. It seems to me that if any hon. member felt hard done by, then I might have heard about it before the middle of this afternoon and been told that members felt the bill should not be brought forward.

The only other comment of the hon. member for Edmonton West (Mr. Lambert) that I wish to deal with is his objection to the fact that the Parliamentary Secretary to the Minister of Justice (Mr. Cantin) has charge of the conduct of this bill. I might recall to hon. members the fact that my colleague, the hon. member for Windsor West (Mr. Gray), the Parliamentary Secretary to the Minister of Finance, has had the conduct of a great many pieces of legislation in this house, for which the hon. member for Edmonton West had the responsibility of speaking for this party on that side of the house.

With respect to the complaint of the hon. member for Edmonton West that the parliamentary secretary has the conduct of this bill—and I might read into his reference "a mere parliamentary secretary," and I say this as one who for five years was a parliamentary secretary—I say that the parliamentary secretary is fully capable of taking the bill through all its stages in this house, in committee, and everywhere.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I therefore say, Mr. Speaker, that there is no precedent for a valid objection to the conduct of legislation through this house by one of my colleagues who is a parliamentary secretary, and in particular by my colleague, the parliamentary

secretary from Quebec. I say there is no authority for that proposition whatsoever, and it is entirely within the proprieties when a qualified colleague of mine, such as the parliamentary secretary from Quebec, has the conduct of this particular bill.

I might add, Mr. Speaker, that I am not in a position to debate the merits of the bill. This has not been my responsibility. But I notice that the hon. member for Greenwood (Mr. Brewin), who has had a great deal of trial experience, who was a member of the standing committee and who participated in its deliberations, takes a different legal point of view from that of the hon. member for Calgary North (Mr. Woolliams). Again, I assert that there was no surprise and no unfairness in the calling of this bill at this time. If there was a feeling of surprise, if hon. members really after a period of months were not prepared to go ahead with the bill, then I submit that I should have been told about it prior to the calling of the bill this afternoon. On the whole, it seems to me it would be reasonable to go ahead and give the bill third reading.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise somewhat hesitantly to speak on a bill dealing mainly with matters which might well concern members of the legal profession. I admit quite openly that I am not a member of the legal profession but I have always believed that justice must be fair, must be just, and also must appear to be just and fair. On reading over clause 2 at the top of page 4 of this bill, I can hardly assume that the measure appears to be fair.

I have listened to the arrogant member for Rosedale—

Some hon. Members: Oh, oh.

Mr. Horner: —the hon. member for Rosedale (Mr. Macdonald), if hon. members prefer that, tell us that nobody suggested there was any opposition to the bill and therefore we had better rush it through parliament in a hurry. Through you, Mr. Speaker, I ask hon. members opposite what would have happened if we had rushed through the estate taxes bill in a hurry, on October 22 last? What would have been the effect on the public today?

Some hon. Members: Hear, hear.

Mr. Horner: That was not done. In the interim, the Minister of Finance (Mr. Benson) heard an outcry and some changes have been made in that bill. I do not believe enough changes were made, but this was one good effect from having some feedback, some delay, some criticism and some thinking about the bill.

I was not a member of the standing committee that examined this bill, but I was a member of the rules committee.

Mr. Macdonald (Rosedale): Until you were replaced.

Mr. Horner: Until I was replaced, as the hon. member for Rosedale says. I had an opportunity to travel overseas on a NATO committee at a time when I thought the government was reversing its stand on NATO, and I thought I should concern myself more with that problem.

Mr. Nesbitt: Like the Postmaster General (Mr. Kierans).

Mr. Horner: I reluctantly gave up my position on the rules committee but before doing so I firmly understood that no bills, after examination in committee, would be debated on third reading until the committee proceedings had been printed and all hon. members of the house had an opportunity to examine them.

A parliamentary secretary on the government benches may well say, "Well, there was no opposition. We had no trouble about this." I reply that all 264 members of the House of Commons are of equal importance. My constituency, the constituency of Crowfoot, is of equal importance to that of any other constituency in the country. Therefore, I should be given the opportunity, the right to examine the evidence to ascertain whether or not this bill purports to be fair, purports to be just, and in my mind and in my constituents' minds contributes to the just society in which I and my constituents might well believe.

From my brief skimming through the bill, and in particular through clause 2, and without having the committee evidence before me, I cannot honestly say that a witness should be re-examined without proof in any way, shape or form that he is an adverse witness.

Again, with respect to the clause dealing with banking institutions I do not believe it should exclude provincial treasury branches. When the question of banking institutions came up in the debate on the bill amending the Farm Credit Corporations Act I spoke of the part the treasury branches played in the province of Alberta in creating competition. We in this party believe competition is the guide to efficiency, is the key to efficiency in this society of ours which is founded on free

enterprise. But hon. members to the right of you, Mr. Speaker, believe that if they can hide the evidence—and this is the only conclusion I can draw—then ignorance is bliss; all shall pass and everybody will forgive because in the name of the just society everything is right and nothing is wrong.

I don't believe that because I believe that justice must appear to be just. The hon. member for Greenwood (Mr. Brewin) says, in effect, that in the past the way in which this matter has been handled in the courts has been ridiculous and therefore we might as well pass this amending legislation. A number of members in the Hitler administration, Gerhardt included, believed, "We must push on; we must reach decisions in a hurry." The suggestion is that counsel must be given the right to cross-examine their own witnesses if they find the witnesses are adverse, but without proof that they are adverse. I cannot for the life of me understand why they do not know that beforehand. They call them as witnesses in the first instance.

The minister who has just spoken was the chairman of the rules committee. He reported to the house on the rules. He cannot honestly say—

Mr. Macdonald (Rosedale): On a question of privilege, Mr. Speaker, and just as a matter of accuracy the hon. member for Grenville-Carleton (Mr. Blair) was the chairman of the rules committee.

Mr. Horner: I accept the point of privilege. The minister wasn't the chairman of the rules committee.

Mr. Nesbitt: The Gray Eminence.

Mr. Horner: He was the gray eminence of the chairman of the rules committee. He dominated the rules committee—

Mr. Woolliams: As Mr. Goebbels.

Mr. Horner: He brought the wishes of the Prime Minister (Mr. Trudeau) into the rules committee. One of the clear, explicit understandings of the rules committee was that after second reading a bill should be passed to a committee. Then the committee would examine it extensively, and after extensive examination the bill should come back into the house for third reading. At that time the committee evidence would be printed and each member of the house would have the evidence of the committee available to him.

• (8:40 p.m.)

This has not been done in respect of this bill, and I issue a warning to you, Mr. Speaker, and through you to every member opposite in the government that this should not happen again with regard to other committee proceedings. This is not fair or just. It is no more fair or just than this bill appears to be when it refers to witnesses being declared hostile without proof. It is not fair or just when we consider that the treasury branches, which have played such an important part in accepting deposits and lending money to the public, will be excluded under section 3 of the bill.

I was amazed when the minister said that he was not aware of any conflict or opposition to the bill. He as much as said that had he known he would never have brought it forward, but, rather, would have waited until the evidence was printed.

Mr. Harkness: Just another "booboo" on the part of the government.

Mr. Horner: That is exactly correct. The minister stated he did not know there was opposition or that anybody would rise and debate the issue. He thought the government would receive carte blanche from this house. I suggest to him now that if he had known there was going to be opposition then, by his own statement, he would have held the bill until the evidence of the committee had been printed. Surely, then he should have accepted the motion this afternoon to adjourn the debate. This would have given hon. members an opportunity to read that evidence. The hon. minister, in my opinion, admitted that had he known of this opposition he would have held up third reading until members had sufficient time to examine the evidence to ascertain whether or not justice would be done or would appear to be done as a result of the application of this change.

The only conclusion I can draw is that the government is attempting to hide evidence and control or manipulate the House of Commons. After all, this is a debating forum in a free country. As we regulate ourselves more and more, thus allowing ourselves to be manipulated, we find our freedoms slowly slipping away. I suggest to you, Mr. Speaker, and to the house leader that Canadians as a whole are becoming aware of this erosion of our freedoms. This proposed change is one more bit of evidence that, in this way, our freedoms are being eroded and will continue

to erode if this government is allowed to pursue this course. Certainly, we in the opposition and those to my left must be alerted to stand on guard against this continuous erosion. This is a planned attack under the guise of a just society. This bill is a perfect example of what I am suggesting. Under the guise of a just society, the government is attempting to erode the freedoms of Canadians as we now know them.

Mr. Woolliams: Mr. Speaker, I should like to speak on a question of privilege which arises after listening to the President of the Privy Council (Mr. Macdonald), the hon. member for Crowfoot (Mr. Horner) and others. Under the new rules, this house is being asked to give third reading to certain legislation before the evidence of the standing committee has been printed. We have heard the hon. member for Edmonton West (Mr. Lambert), the hon. member for Crowfoot and the President of the Privy Council state that the evidence of the proceedings in this committee have not been printed. We must assume that the Liberal party and the government do not care whether their members know what this legislation is all about because they are going to vote for it anyhow.

Some hon. Members: Order, order.

Mr. Deputy Speaker: Order, please. If the hon. member has a guestion of privilege I would appreciate his coming to it quickly.

Mr. Woolliams: I can come to it very quickly, Mr. Speaker. I can come to it so quickly it will make your head swim.

Some hon. Members: Order, order.

Mr. Woolliams: Mr. Speaker, the members over there have shouted and made their jokes—

An hon. Member: Have some respect for the Speaker.

Mr. Woolliams: I would say this to him. The giving of a bill third reading without having the evidence of the standing committee printed so that hon. members can examine it and find out what the bill contains involves a privilege that affects the whole house. Surely, the new rules do not intend that a bill should be put through a committee, but that it doesn't matter what the committee says and that the evidence need not be printed until months later at which time somebody on examination might find out that someone made a mistake. If that is not a question of privilege in this house there never has been one.

I am shocked to think that we can go through third reading stage under the new rules, which certain people embraced, without the evidence of the committee being printed so that hon. members, who because of other duties were not able to attend the committee meetings, could find out what the bill says and means. If that is not a point of privilege, I do not know what is. I would ask the Speaker or the Deputy Speaker to find where in the new rules it says committee reports should be printed before third reading is given in this House of Commons. What kind of a place is this when evidence—

Some hon. Members: Order, order.

Mr. Woolliams: You know why they say "order, order"? It is because they are a group of sheep in a sheep pasture.

Mr. Deputy Speaker: Order, please.

Mr. Woolliams: I don't intend to sit down, sir, because you state "order", because I am not going to until—

Mr. Deputy Speaker: Order, please. The hon. member will resume his seat.

Mr. Woolliams: —you rule whether or not this is a question of privilege.

Mr. Deputy Speaker: Order, please. Let me make this observation. In my view the question of privilege constitutes more of a grievance about our proceedings. In this form it contains a recommendation that in future the evidence of a committee should be before the house prior to third reading. As I said, I do not think it constitutes a question of privilege but it might be taken by the house as a recommendation by an hon. member that in future this sort of situation might be avoided.

Is the house ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is as follows, that Bill S-3, to amend the Canada Evidence Act, be now read a third time.

Mr. Woolliams: Mr. Speaker, in spite of the fact that you are standing—

Mr. Deputy Speaker: Order, please.

Mr. Woolliams: You are standing and I am standing.

Mr. Deputy Speaker: Order, please. Would the hon. member resume his seat.

Mr. Woolliams: As far as I am concerned if this house can consider the bill without the evidence—

Mr. Deputy Speaker: Order, please. Would the hon. member resume his seat. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Yea.

Some hon. Members: Nay.

The Deputy Speaker: All those in favour of the motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

• (9:10 p.m.)

Mr. Woolliams: Before you put the question, Mr. Speaker, I just want to say this: what a phoney place this is—

Some hon. Members: Oh.

Mr. Woolliams: —when we can pass a bill without the benefit of the study made by the committee, when members can stand in their places and vote without receiving the evidence from the committee. What a phoney vote this is going to be.

Some hon. Members: Hear, hear.

Mr. Speaker: Order. Before putting the motion to hon. members I might say that the Clerk of the House has drawn my attention to the difficulty in which we have placed ourselves. Hon. members must realize that we have been operating under new rules and it has been obvious during the past week or so that the administrative facilities of the house have been taxed to the full. This has resulted in some difficulties.

At the same time, the situation with which we are now faced is an indication of the trouble which may result from unexpected changes in the order of business in the house. It seems to me that under the new rules we may find ourselves in a position where it is more important than ever not to change the business of the house, particularly in connection with the necessity for notice. It is obvious we are all in the dark to a considerable extent as to the functioning of these rules and it will require a great deal of co-operation on the part of all hon. members—on the part of the opposition and, I am sure, on the part of the government.

The Chair will make a special effort to try to overcome the difficulties which have arisen and I can personally assure the hon. member for Calgary North (Mr. Woolliams) that the important matter he has raised will be looked into very closely, and an effort will be made to ensure that there is no repetition of the administrative problems we have faced in this particular instance.

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

YEAS

Messrs:

Badanai
Basford
Béchard
Benjamin
Benson
Borrie
Boulanger
Brewin
Broadbent
Buchanan
Burton
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Cullen
Danson
Deachman
Deakon
Douglas
Dubé
Forest
Forget
Gendron
Gervais
Gibson
Gillespie
Givens
Gleave
Goyer
Groos
Guay
(St. Boniface)
Guilbault
Harding
Hellyer
Hogarth
Hopkins
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Knowles (Winnipeg
North Centre)
Laing
Langlois
Laniel
Leblanc (Laurier)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lewis
Macdonald (Rosedale)
MacEachen
MacGuigan
McBride
Mahoney
Mather
Mongrain
Noël
Orange
Ouellet
Penner
Peters
Pilon
Portelance
Richardson
Roy (Laval)
Saltsman
Schreyer
Serré
Smerchanski
Stafford
St. Pierre
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—90.

Veterans Land Act

NAYS

Messrs:

Aiken	MacLean
Alexander	Macquarrie
Cadieu (Meadow Lake)	McGrath
Carter	McIntosh
Code	McKinley
Crouse	McQuaid
Danforth	Marshall
Dionne	Matte
Fairweather	Monteith
Gauthier	Nesbitt
Godin	Noble
Grills	Peddle
Harkness	Ritchie
Horner	Rondeau
Howe	Scott
Lambert (Bellechasse)	Simpson
Lambert (Edmonton West)	Stewart (Marquette)
Laprise	Tétrault
La Salle	Thomas (Moncton)
Latulippe	Woolliams
	Yewchuk—41.

• (9:20 p.m.)

Bill read the third time and passed.

Mr. Hales: Mr. Speaker, I did not vote. This was not because I was paired but because I felt I was not in a position to vote until I had read the evidence of the committee.

Mr. MacLean: Mr. Speaker, on a point of privilege, I merely want to state that we in this party felt constrained to vote against this legislation because we did not feel it reasonable that we should be called upon to pass judgment on the bill when the evidence given in the committee to which it was referred was not available to us.

VETERANS LAND ACT

AMENDMENT SUBSTITUTING RATE PRESCRIBED BY GOVERNOR IN COUNCIL

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs) moved that Bill C-152, to amend the Veterans Land Act, as reported (without amendment) from the Standing Committee on Veterans Affairs on Thursday, January 30, 1969 be concurred in.

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

Some hon. Members: Agreed.

Motion (for concurrence) agreed to.

Mr. Dubé moved that the bill be read a third time and do pass.

Hon. J. A. MacLean (Malpèque): Mr. Speaker I would ask the Minister of Veterans Affairs whether he has any statement that he would like to make at this point.

[Mr. Speaker.]

Mr. Dubé: No, Mr. Speaker. I did make a statement on second reading. The bill then went to committee and the committee received evidence from the director of the Veterans Land Act. I have no statement to make at this time, but if there are any questions members of the opposition wish to ask I will be available.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in rising to speak on third reading of Bill C-152 I am glad to report that this was one time when there was general agreement amongst all party members on both sides of the house in the Standing Committee on Veterans Affairs. The Committee only had to clarify and verify items in the bill concerning the welfare of a very important segment of our population, thus giving recognition to those who make up a very important part of our nation, the war veterans. This bill exemplifies the realization of all members of parliament that it is the duty of the government of Canada to continually review and provide for the war veterans, so that they can have the opportunity of providing a livelihood for themselves and their families.

It is significant that today, in this House of Commons, a notice of motion was put forth by the hon. member for Swift Current-Maple Creek (Mr. McIntosh) asking the government to give consideration to the immediate organization of a program of medical examination of all members of the Canadian active service forces who were prisoners of war in world war II and who have not been examined in the past five years. This shows that we, as representatives of the citizens of this country, must constantly be reminded of the part played by war veterans in the building of this great nation of Canada. This is a responsibility that we must never take lightly.

We, as members of the committee, were pleased that the rate of interest on loans up to $6,000, which was established in 1942 at 3½ per cent, will not be affected by this bill. The main item of change will permit the rate on loans of over $6,000 and up to $20,000 to be determined from time to time by the Governor in Council. In this regard I feel it should be mentioned that the Royal Canadian Legion, who represent the majority of war veterans in Canada, recognized the sharp increase in recent years in mortgage rates, bond interest and the rate of interest on money lent by the Bank of Canada. They, therefore, recommended that the rate be that

paid by the government to secure the necessary funds, with administrative costs being borne by the government.

I wholeheartedly agree with the recommendation of the Royal Canadian Legion; but we are all prepared to realize as responsible citizens—and I am sure the war veteran realizes too—that as the cost of money increases progressively this extra cost must be borne by all citizens who need to borrow.

I, and the members of the standing committee from the opposition side, are satisfied that the veteran who applies for the average loan of, say, $20,000 will be in the slightly preferred category that he deserves. On a loan of this proportion he will pay an average of a little over 6 per cent, because he will be paying 3½ per cent on the first $6,000 and 7¾ per cent on the remainder.

We are concerned, however, about the availability of funds. We are concerned that the amount available each year has dropped until it is now $74 million. We hope that we will not hear the old cries of "restraint in spending" and "feasibility studies" and "task forces" coming to the fore. We hope money will be provided for loans to veterans for as long as they are required, and that the amount provided will be commensurate with the needs of all applicants. I am prepared, however, to believe that the government is aware of the debt we owe the veterans of this country and will live up to its responsibility to make available the necessary funds which will continue to provide opportunities for these important citizens of Canada.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, there is one matter relative to this legislation that I should like to bring to the attention of the minister. I realize that under the new rules it is awkward, if not impossible, for the minister to reply directly to any question that I might put to him now. However, perhaps he can give the matter consideration and indicate when speaking later this evening, or by letter, what can be done about it.

Bill C-152 will have the effect of increasing the interest rate payable by veterans on all loans granted to them by the director of the Veterans Land Act. However, I notice, in particular, that clause 9 of this bill provides that in the case of all loans or advances that have already been applied for by a veteran the old rate of 5 per cent under the old act will continue to apply.

• (9:30 p.m.)

That is logical enough, but what about those cases where a veteran may not have made a formal application as such but has brought to the attention of the director of the Veterans Land Act that he has a particular problem in connection with his property or his house. The director has agreed that additional funds are required and has stated in writing that the veteran is eligible for a loan of $3,000, $4,000 or $5,000 if he cares to make formal application for such loan? Clause 9 says specifically that the old rate of 5 per cent shall apply only to such loans as have already been applied for by the veteran. Those applications must be in the hands of the director at the time of the coming into force of this act. Does the minister not think it appropriate to interpret this legislation so that undertakings in writing given by the director to veterans at any time up to the coming into force of this act will be covered. I know the bill does not specify undertakings in writing in any of its provisions; it refers only to formal applications for assistance approved by the director. Perhaps the minister can indicate now whether veterans who have had dealings with the director, and who have been promised in writing loans at the old rate, will in fact be able to obtain those loans at the old rate up until the time Bill C-152 comes into effect.

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

Mr. Dubé: Mr. Speaker—

Mr. Speaker: Mr. Dubé, seconded by—

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker. I understand the minister was rising to make some kind of response.

Mr. Speaker: The minister did not appear to be rising quickly. If he does so now, he will be recognized.

Mr. Dubé: Mr. Speaker—

Mr. Speaker: Order, please. I have had a quick consultation with the officers of the table, who have brought to my attention the fact that the minister does not have the right to reply.

Mr. Lewis: Except by consent.

Mr. Speaker: I shall therefore put the question.

Mr. Lambert (Edmonton West): On a point of order, Mr. Speaker. I understood that the minister said to the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) he would not be making a statement. I do not think that the word "no" can be taken as a speech.

Mr. Speaker: The Chair considers these things very seriously. It may be that the minister was rising to reply to a point of order. With this interpretation he might be allowed now, at this stage, to make a statement.

Mr. Dubé: Mr. Speaker, may I express my appreciation to the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) for his contribution to the debate. I assure him that I, too, am very concerned about the availability of funds for the coming year. I hope there will be sufficient funds to supply all applicants, but this decision has not been made at this time.

The hon. member for Selkirk (Mr. Schreyer) raised a specific question about clause 9. I wish to assure him that all applications made before September 13 and before the coming into force of this act will come under the old rate of interest. As to other applications, the standing of which is not clear, I assure him that they will receive a very liberal interpretation.

Mr. Lewis: Which liberal?

Mr. Speaker: According to the new rules, the minister has not closed debate. Before any hon. member takes advantage of this I shall put the question.

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

CANADIAN OVERSEAS TELECOMMUNICATIONS CORPORATION ACT

AMENDMENTS RESPECTING DEFINITIONS, LIMITATION OF POWERS, ETC.

On the order:

Second reading and reference to the Standing Committee on Transport and Communications of Bill S-5, An Act to amend the Canadian Overseas Telecommunication Corporation Act—The Postmaster General.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I realize the President of the Privy Council told us not long ago we should be proceeding with this bill, but it happens that copies of the bill are not in our files. I do not have a copy, the hon. member for York South (Mr. Lewis) has no copy and the hon. member for Timiskaming (Mr. Peters) has no copy. It seems that no hon. member here has a copy.

[Mr. Speaker.]

Mr. Lambert (Edmonton West): Take up Bill S-4.

Mr. Knowles (Winnipeg North Centre): I think we ought to have copies of the bill, even if we do not have time to read it.

Mr. Kierans: It was passed by the Senate on October 8. Hon. members should have it on file.

Mr. Knowles (Winnipeg North Centre): We have checked all our files, but I can find no hon. member who has a copy.

Mr. Speaker: I am advised that additional copies are being obtained. The Clerk of the house assures me the bill has been distributed.

Mr. Macdonald (Rosedale): Perhaps we might proceed with the next item of business, No. 27 on the order paper, having to do with the marking of articles containing precious metals.

Mr. Speaker: Shall this order stand for the time being?

Some hon. Members: Agreed.

Order stands.

PRECIOUS METALS

LEGISLATION RESPECTING DEFINITIONS, MARKING, ETC.

On the order:

Consideration of Bill S-4, An Act respecting the marking of articles containing precious metals, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs. —The Minister of Consumer and Corporate Affairs.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, this bill was reported back from committee without amendment. During the committee proceedings the hon. member for Edmonton West (Mr. Lambert) raised a question with regard to clause 8(4).

Mr. Speaker: Order, please. I understand that no debate is allowed unless there is an amendment. I understand there is no amendment.

Mr. Lambert (Edmonton West): Oh, yes, there is.

Mr. Basford: May I ask the unanimous consent of the house to move an amendment?

Mr. Speaker: Order, please. It is basic to the rules that there may be no debate by the house unless notice has been given of an amendment. If hon. members, by agreement, wish to allow the minister to make a statement and propose an amendment at this time, it is of course up to hon. members to make that suggestion.

Mr. Peters: No, Mr. Speaker.

• (9:40 p.m.)

Mr. Lambert (Edmonton West): On a point of order. As the minister has explained, I made representations with regard to one of the clauses. The minister took it under advisement, consulted one of his officials and advised me personally he would propose the amendment. I am told that notice has been filed with the Clerk.

Mr. Lewis: It is not in *Votes and Proceedings.*

Mr. Lambert (Edmonton West): It is not in *Votes and Proceedings.* This afternoon it was decided we would try to get to this bill and that the minister would ask for the consent of the house to put forward the amendment, which is only one word. As far as we are concerned, this would be acceptable. It would be strange if it were not. That is why this rather extraordinary procedure is taking place at this time and I hope the members of the house and the Chair will accept it.

Mr. Speaker: Of course the Chair has no choice in the matter. It is up to hon. members. The standing order requires notice, even if notice has been filed before six o'clock. It has not appeared in *Votes and Proceedings.* However, if there is unanimous agreement we will proceed. There will be no difficulty from the Chair.

I see the hon. member for York South is anxious to contribute.

Mr. Lewis: This is a new procedure, Mr. Speaker. Either all hon. members of the house, including Ministers of the Crown, will abide by it or we are going to be in trouble, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Lewis: I know other members of the house seeking to move amendments at the report stage without the notice being in *Votes and Proceedings* will be denied the opportunity if it suits the majority so to do, whereas exceptions are made in this case. I therefore cannot agree that it should be done. It seems all that was necessary was for this not to be called today so that the amendment could appear in *Votes and Proceedings.*

Either we are going to have a parliamentary regime in accordance with the new rules which will be orderly and every member will know exactly what is happening. Then members will learn to put amendments in such a way that they will appear in *Votes and Proceedings* and be proceeded with in a way which we have now decided to proceed or we start making exceptions. If that is done, the regime which we have set up will come tumbling down.

Mr. Woolliams: It already has.

Mr. Lewis: The solution is very simple. If the minister is of the opinion the amendment he wants to move is of some importance, all that is necessary is that this particular order not be called, leaving it for tomorrow or the day after which will give time for the amendment to appear in *Votes and Proceedings.* In this way, the rules we have adopted will not be torn up.

I suggest we are all learning the new rules. There are a good many disadvantages when compared to the old rules because some of us feel we are deprived of the opportunity to ask questions in the house and receive answers from ministers.

Some hon. Members: Hear, hear.

Mr. Lewis: I think we ought to be strict about following these rules if they are to mean something in the development of an orderly procedure.

Mr. Macdonald (Rosedale): On a point of order also, Mr. Speaker. If the hon. member and his group feel they cannot assent to the change proposed by the official opposition, then the disposition of the government would be not to go ahead with the bill at this time. On that basis, I wonder if the hon. member's group would be ready to go ahead with Bill S-5?

Mr. Lewis: Yes, we are prepared to go ahead with S-5.

Mr. Speaker: We will deem it that this order has not been called, so that no hon.

member will be prejudiced from filing a notice if this bill should not be called tomorrow.

CANADIAN OVERSEAS TELECOMMUNICATIONS CORPORATION ACT

AMENDMENTS RESPECTING DEFINITIONS, LIMITATION OF POWERS, ETC.

Hon. Eric W. Kierans (Postmaster General) moved the second reading and reference to the Standing Committee on Transport and Communications of Bill S-5, to amend the Canadian Overseas Telecommunication Corporation Act.

He said: It gives me great pleasure, Mr. Speaker to recommend the two basic amendments in this bill for approval by this house. I may say in explanation of the main overseas telecommunications service that it was formed in 1949. It was established for a number of purposes among which the most important was to establish, maintain and operate in Canada and elsewhere external communications services for the conduct of public communications.

Since 1949 until the present time, Mr. Speaker, this Crown Corporation has had an enviable history of accomplishment and achievement. It has accomplished very well all of the objectives which the government and the people of Canada laid down for it in 1949.

At the present time it is a corporation with assets exceeding $83 million. Its revenue last year was $24 million and it showed a profit of $4 million. The corporation has shown a profit for every one of the 18 years it has been in existence and during that time has paid to the government over $20 million in interest charges, $19,912,000 in income tax, and has returned $16 million of its advances from the government. The officers and employees of the corporation have proved themselves capable of managing their affairs in the interests of the Canadian people and I think that is a real justification.

Their past record justifies their request at this time, which I am happy to put forward, for additional powers and greater flexibility. The corporation is a member of the International Telecommunication Satellite Consortium and represents Canada on that board. It is much concerned with the expansion of satellite services all over the world and of course maintains Canada's interest and attention in all that goes on in international satellite relations. The corporation itself is expanding the use of Atlantic satellites to cope with the need for more capacity to cater for increasing demand for service between Canada and European countries and foresees the need for a Canadian earth station on the West coast for operations with the Pacific satellites. As is well known the corporation some years ago built an earth station at Mill Village in Nova Scotia at a cost of some $12 million. An additional earth station is now being built there which will have the capacity to receive communications from satellites including the French satellite when it is launched.

I feel the people in Canada should be more aware of the contribution that this corporation makes. At the present time it has inaugurated overseas dataphone service and it expects this service also will be very profitable. This has been background information for the benefit of hon. members and I will now go to the bill specifically, Mr. Speaker.

• (9:50 p.m.)

As it noted in Bill S-5, we wish to amend section 2(f). In the original act section 2(f) says:

> "external telecommunication services" means the telecommunication services between Canada and any place outside of Canada and between Newfoundland and any other part of Canada;

Section 6(b) also makes reference to "Newfoundland and any other part of Canada." When the corporation was formed Newfoundland had become Canada's tenth province but from a telecommunications point of view it was overseas and the service was provided by the Canadian Marconi Company by high frequency radio.

When under the act, chapter 42 (1949) the C.O.T.C. was formed, the corporation expropriated the property and equipment of the Canadian Marconi Company used in connection with its external services; that is, radio stations at Drummondville and Yamachiche. It was not practical at that time to exclude from the total expropriation that part of the equipment used for service with Newfoundland, although it had by that time become the tenth province.

The corporation undertook to provide the additional facilities necessary to meet the growing demand for service between the island and the mainland. However, it rapidly became clear that this service should more properly rest in the hands of a domestic carrier and accordingly after lengthy negotiations these facilities were transferred to Canadian National Telecommunications on January 1, 1966. Therefore, to bring this act

up to date it is desirable to remove the references to Newfoundland.

With respect to the second amendment that we recommend, the figures that I have quoted give you some idea of the tremendous performance, the strength and the size of the corporation, and therefore of the capacity of the people who direct it to handle their own affairs. Their power, flexibility and ability to make decisions are gravely limited by a section in the original act which reads:

Unless the approval of the Governor in Council is first obtained, the corporation shall not

(a) enter into an agreement involving any expenditure in excess of fifty thousand dollars;

With the establishment of cable systems between Bermuda, Canada and other countries, and with the corporation investing in satellite systems and switching systems, it is continually coming before Treasury Board for approval of a number of decisions that we feel the directors should have the power to make themselves. For example, during the last six years Orders in Council were requested for 146 different actions taken by the board of directors. I seriously question whether any more than 30 or 40 of those should have been forthcoming. That was one part of the limitation of power. Subparagraph (b) was another and provides that the corporation shall not:

—enter into for a period exceeding three years any agreement or lease that involves an expenditure in any year of more than five thousand dollars;

Hon. members will realize that when a corporation with annual revenues of $24 million, with assets exceeding $80 million, with total fixed assets in the order of $97 million—that, of course, is not the depreciated figure—is faced with a limitation on the directors that they shall not enter into any lease involving an expenditure of more than $5,000 in any year, it is a serious limitation.

Then there is another limitation in subparagraph (c) which says that the corporation shall not:

—acquire any real or personal property, the cost of acquisition of which exceeds the sum of fifty thousand dollars, or in any manner dispose of any such property having an original or book value exceeding the sum of five thousand dollars.

Just two or three weeks ago I had to approve a request to the Treasury Board that the corporation be permitted to sell some used, obsolete equipment the original value of which was about $9,000. These amendments will avoid this procedure. It is time consuming. It limits the capacity of the directors to handle their own affairs, a capacity which has been well demonstrated during the years, and so I heartily recommend that these amendments be approved.

Mr. David Lewis (York South): May I ask the minister a question before he sits down, Mr. Speaker. Would he explain how the administration of the corporation gets greater powers under the amendment in clause 3 of the bill than it had before, when it needs to have the recommendation of the Treasury Board and the approval of the Governor in Council before it enters into any agreement or lease?

Mr. Kierans: What will happen is that the Treasury Board will lay down the same rules that apply to other crown corporations. The Treasury Board will prescribe such limits as it may consider to be appropriate. In other words, the limitations presently listed in the legislation may not be the limitations which the Treasury Board will set. The corporation has to be under some control but that control would be less, at least as to physical amount, than presently exists.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I call it ten o'clock?

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, for the convenience of hon. members perhaps the government house leader would be agreeable to putting on the record again the business which the government proposes to bring to the house tomorrow and Wednesday.

Mr. Macdonald (Rosedale): Mr. Speaker, as indicated on Friday last it will be the government's intention to call as the first item No. 48 on the order paper, that is to say, the motion for second reading and reference to Committee of the Whole of Bill C-162 to amend the Prairie Grain Advance Payments Act. We would hope we could make some progress on that bill and possibly by leave get it through all stages. If we are successful in that, we would then call as the second item No. 50 on the order paper, the motion for second reading and reference to Committee of the Whole of Bill C-165 to amend the Income Tax Act and the Estate Tax Act.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order 40 deemed to have been moved.

Mr. Speaker: The hon. member for Hillsborough.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have opted out of my particular question that was set for debate at this time.

Mr. Speaker: The hon. member for Nickel Belt.

• (10:00 p.m.)

[*Translation*]

EDUCATION—RECOMMENDATIONS RESPECTING REPORT OF COMMITTEE

Mr. Gaétan-J. Serré (Nickel Belt): Mr. Speaker, last week I directed to the secretary of State (Mr. Pelletier) a question concerning some recommendations of the Franco-Ontarian Committee on cultural life which were presented to the Ontario Minister of Education.

That report contains some very important recommendations on federal institutions which come under the central government.

In my question, I asked the Secretary of State whether he intended to answer favourably the request of the Franco-Ontarian Committee on cultural life that the C.B.C. establish French radio stations (AM and FM) and television stations wherever there is a sufficient number of French-speaking people in Ontario.

As I have been unable to get from the Secretary of State an answer to that question which is, I feel, of capital importance, not only to French-speaking people in Ontario but also to English-speaking people and to the whole country, I was bent on raising it tonight.

In order that the Secretary of State, hon. members and the Canadian people might have a better understanding of the purport of my question, I hasten to quote two recommendations made by the Franco-Ontarian Committee on cultural life. The first one reads as follows:

That French radio and television stations, in Ontario continue to be supplied through Montreal, but that local and regional production centres be established in Ottawa, Toronto, Windsor and Sudbury so as to form a Franco-Ontarian radio and television network.

[Mr. Macdonald (Rosedale).]

The system, while complying with the standards of quality approved by the C.B.C., would be responsible for Ontario public affairs and the development of local talent.

The second recommendation reads as follows:

That the C.B.C., while maintaining its standards of quality, offer programming which is better suited to the interests of Franco-Ontarians, when the C.B.C. station is the only French-speaking one in an area.

Mr. Speaker, the C.B.C. has certainly made great efforts to help the Franco-Ontarians in the last few years, but the present services are far from satisfactory.

It is worth noting that in Ontario, there is only one French television station, CBOFT, the C.B.C. station in Ottawa, and that there is no other private French television station.

The Corporation offers French television to a great number of French Canadians of the "Middle North" of Ontario, that is the Sudbury and North Bay region, and to those of the "Far North" or the Timmins, Kapuskasing and Hearst area. Of course, this is a great help to the French Canadians of Northern Ontario, but it is not enough, because often they do not have much interest in programs originating in Montreal and Quebec City. Besides, and that is the most important point, for the French-Canadians of Southern Ontario who are quite numerous, there is no French television station at all.

Mr. Speaker, if we accept the principles underlayng the Canadian constitution, if we recognize the bilingual and bicultural nature of Canada, if we sincerely want to safeguard the French-Canadian culture in North America, we must think of taking immediate steps to correct the gross injustice being done to almost three-quarters of a million Franco-Ontarians and to provide them quickly with the means not only to survive but also to develop in a normal way.

We all agree that mass media can play a leading role as a medium of culture. However, without any newspapers, radio or TV of their own, Franco-Ontarians are bound to disappear, as is now the case, considering the increasing number of them who are unavoidably assimilated.

Mr. Speaker, the Franco-Ontarians are not asking for any privileges, they are only demanding their rights. They are only asking for the same treatment the English-speaking minority gets in Quebec. In every Quebec community where there is a sufficient number of English-speaking people, the latter can

enjoy radio and television in their own language.

We must stop identifying French Canada with Quebec and recognize that French Canada comprises Ontario, New Brunswick and reaches out to the west, across the whole continent. The government, under the clever leadership of our present Prime Minister (Mr. Trudeau) undertook to protect the rights of minorities; it undertook to promote bilingualism and biculturalism across the country wherever it is deemed necessary and the people of Canada have accepted that fact, judging from the results of the June 25 election. I know the Secretary of State is more than inclined to do something in this respect.

If Ontario becomes a truly bilingual province where the two great cultures will be allowed to develop and enlarge through one another, in the most complete harmony, it will become an example of good understanding and of co-operation for the other provinces. This will belie the views held by some Quebec extremists by proving to them that Confederation can and will operate and thus we will have taken a great step toward the achievement of national unity.

Therefore, Mr. Speaker, I ask once again the Secretary of State if he intends to assent to the recommendations of the Franco-Ontarian Committee on cultural life.

Mr. Robert Stanbury (Parliamentary Secretary to the Secretary of State): Mr. Speaker, I can assure the hon. member that the recommendations of the Franco-Ontarian Committee on cultural life have been considered with a great deal of interest by the Secretary of State and the C.B.C.

As a matter of fact, the C.B.C. has established an internal committee to consider the whole matter of broadcasting in French. This matter is now being considered by the officials of the corporation and it is hoped that a policy might be implemented as funds become available.

I call the hon. member's attention to the fact that a new French language radio station has been licensed in Windsor, Ontario, and that the possibility of issuing a permit for the operation of a television station is now under study.

[*English*]

I might also mention that the C.B.C. is hoping to make application in the near future for French television service in my own city, the third largest French speaking city in Canada, Toronto, and also Pembroke. Another area the C.B.C. is seriously considering for this service at the present time is the whole northern Ontario region in which my hon. friend is so interested. Extension of service is planned for that region in accordance with the representations of the hon. member and his colleagues from northern Ontario. I am advised, too, that other communities are also in the corporation's mind. The whole question of French language service is of great, current concern to the Canadian Broadcasting Corporation.

Motion agreed to and the house adjourned at 10.12 p.m.

HOUSE OF COMMONS

Tuesday, February 4, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

PRIVILEGE

MR. DIEFENBAKER—REMOVAL OF COAT OF ARMS FROM PUBLICATION OF STANDING ORDERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, some ten days ago I raised a question on the omission of the coat of arms from the new Standing Orders of the house. Of course I realize I am not permitted to ask Your Honour any questions, but I would appreciate it if it could be made clear as to whether an examination by Your Honour has been made of the question that I raised, and what will be the position from now on of the coat of arms on the publication of Standing Orders.

Mr. Speaker: Order, please. The right hon. gentleman knows what the rules are in so far as the Chair is concerned. The only way that questions can be asked is in writing. There has been a communication in writing with the right hon. gentleman and it was my hope that the answer which was conveyed to him would be satisfactory.

I think that there should be as few exceptions as possible to the rule, because it is a good rule, that communications with the Speaker in so far as inquiries are concerned should be made in writing, and the reply made in the same way by the Chair. If the house will allow the Speaker, however, to make an exception to the rule, I will say that the intention of the officers of the house and of the Speaker is that eventually when the Standing Orders are published in this final form they will be published in the traditional way which has always been observed in the House of Commons.

Mr. Diefenbaker: The coat of arms will come back then.

• (2:10 p.m.)

MAIN ESTIMATES, 1969-70

EXPLANATORY STATEMENT OF THE PRESIDENT OF THE TREASURY BOARD

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1970, was presented by Hon. C. M. Drury (President of the Treasury Board), and read by Mr. Speaker to the house.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the budgetary estimates for 1969-70 total $11,858 million. Normal lapsing would bring expenditures based on these estimates down to something below the $11,670 million figure projected by the Minister of Finance (Mr. Benson) in his budget speech last October. The 1969-70 budgetary estimates of $11,858 million compare with anticipated total 1968-69 estimates of $10,826 million. The increase between years is, therefore, $1,032 million. Of this increase, $859 million relate to statutory items and the balance, or $173 million, to items requiring annual appropriations.

It should be recalled that the Minister of Finance has mentioned on several occasions that expenditures could easily vary from the projection of $11,670 million by about 1 per cent either way. In this connection I should point out that while these estimates were being printed the provincial governments were asked to provide us with more up-to-date forecasts of their expenditures under the Canada Assistance Plan, the Hospital Insurance and Diagnostic Services Act, and for post-secondary education. These latest forecasts confirm the validity of the total amount included in the estimates tabled today for these programs. It is not possible for me to be more definite in this report, since most provincial treasuries are still in the process of preparing their own 1969-70 estimates, which will not be presented to their legislatures for some weeks yet.

There may be a need, as in the past, for supplementary estimates in the course of the year to meet urgent and unforeseen requirements. The government is determined that

such supplementary estimates, if any, will be kept to a minimum and held to figures consistent with the declared objective of a balanced budget.

The estimates make provision for the expenditures required under programs for which statutory authority has already been granted by specific acts of parliament, such as the large programs already mentioned, as well as medicare and public debt charges, or resulting from formal agreements with the provinces such as those relating to occupational training of adults, and regional development. It should be noted that in respect to medicare, as indicated in the budget speech, provision has been made on the basis of participation by all the provinces for the full year.

Apart from these outlays, which are not readily manageable in the short term at least, the estimates for 1969-70 provide the required funds for the government to carry out its current defence commitments, and reflect the decision of the government to give priority to a number of specific areas of activity within an over-all framework of budgetary restraint.

Increased allocations have been made to programs for the efficient growth of the economy; to measures that contribute to raising the level of industrial technology, research and development and improving productivity; to programs for the support of research in the universities, and to water research programs.

Growth has also been provided in programs essential to the strengthening of national unity; to the reduction of regional disparities; to the improvement of the situation of Indians and Eskimos, and to the expansion of our external aid.

Finally, provision has been made to meet the increasing needs of parliament and essential funds have been allowed for the protection of persons and property, toward the acquisition of a communications satellite, and for postal operations.

A careful scrutiny was carried out of the manpower requirements of the various departments and agencies of the public service with the result, shown at page 476 of the estimates blue book, that the over-all manpower allocation for the year 1969-70 shows a decrease of 9,332 man-years from the levels authorized in the current year. The program of restraint on the over-all size of the public service which was announced by the government in March 1968 will be continued in 1969-70.

[Mr. Drury.]

The considerations outlined above are reflected in the major elements of increase in the 1969-70 estimates over those of the current year. About 83 per cent of the over-all increase is made up of the requirements for programs authorized by existing legislation such as: medicare, $335 million; superannuation—civil and R.C.M.P., $154 million; public debt charges, $130 million; fiscal transfers to the provinces, $101 million; hospital insurance payments, $65 million; post-secondary education payments, $53 million; superannuation—defence, $51 million; Canada Assistance Plan, $48 million.

In the category of programs for which annual appropriations of parliament are required and which account for $6,185 million or 52 per cent of the total, the major elements of increase are: defence services, $51 million; regional economic expansion contributions, $46 million; federal government accommodation, $35 million; adult occupational training, $34 million, Indian, Eskimo and northern development programs, $33 million; external aid (excluding loans), $18 million; broadcasting, $15 million; grants for scientific and social research, $14 million; postal services, $13 million; industrial development assistance, $7 million; water research programs, $5 million.

The foregoing amounts relating to budgetary expenditures do not include loans, investments and advances on non-budgetary account, for which parliamentary approval is also being sought, in the amount of $614 million in the 1969-70 estimates. The corresponding amount in total estimates for 1968-69 is $720 million.

Similarly, the budgetary expenditures set forth in the preceding paragraphs do not include the forecast expenditures for Old Age Security payments. These payments, amounting to an estimated $1,760 million in 1969-70 —compared to $1,581 million in 1968-69—are carried separately from the budgetary expenditures provided for in the estimates as a statutory charge against the Old Age Security fund to which are credited the special taxes levied for this purpose.

I should also point out that a few presentational changes have been introduced in the 1969-70 blue book of estimates. For the first time we are providing details of the estimates requirements of crown corporations. Further, we have simplified the presentation of manpower detail and introduced a new standard expenditure coding system.

• (2:20 p.m.)

Finally, I would like to add that we expect to make available to the members of this house and of the other place in the next week or so booklets setting forth the 1969-70 estimates in the form that we proposed to the Public Accounts Committee should be adopted for the formal presentation of the estimates for 1970-71. I trust that these booklets will be of assistance in the examination by parliament and others of the 1969-70 estimates. In closing, Mr. Speaker, I should like to table the estimates blue book for 1969-70 as well as a number of tables setting forth further details on the 1969-70 estimates and comparisons with 1968-69 totals. The tables are five in number. Table I compares the total estimates for 1969-70 with previous years.

Main Estimates 1969-70

Table II shows selected major items in budgetary estimates for 1969-70 and 1968-69. Table III is a division of the 1969-70 and 1968-69 budgetary estimates into the administration, construction and grants categories. Table IV is a list of the loans, investments and advances by agency for 1969-70 and 1968-69, and Table V is a list of the budgetary estimates for 1969-70 and 1968-69 by major function. By leave of the house, rather than reading these tables, may I be permitted to ask that they be printed in *Hansard*.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

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

TABLE I

TOTAL BUDGETARY ESTIMATES
(in millions of dollars)

	Main Estimates	Supplementary Estimates	Final Supplementary Estimates	Total
1969–70	11,857.7	—	—	11,857.7
1968–69	10,670.9	0.1	155.0*	10,825.9
1967–68	9,535.1	110.9	281.6	9,927.6
1966–67	7,950.5	608.4	236.0	8,794.9
1965–66	7,399.7	426.2	173.7	7,999.6
1964–65	6,702.9	221.8	245.6	7,170.3
1963–64	6,307.2	311.9	240.9	6,860.0
1962–63	6,048.2	181.0	281.9	6,466.0
1961–62	6,123.8	355.9	122.8	6,602.5
1960–61	5,713.2	169.9	178.2	6,061.3

*Anticipated.

Main Estimates 1969-70

TABLE II (page 1)

MAJOR ITEMS, BUDGETARY ESTIMATES,
—1969-70 COMPARED WITH 1968-69
($ Millions)

	1969-70	1968-69	Change
Items Authorized by Statute:			
Medicare	370.0	35.0	335.0
Public Debt Charges	1,604.2	1,474.0	130.2
Major Pensions, Superannuation and Other Benefits			
—Civil and R.C.M.P.	282.7	180.1	102.6
—Defence	195.7	144.6	51.1
Fiscal Transfers to Provinces	907.3	806.5	100.8
Payments to Provinces under Hospital Insurance and Diagnostic Services Act	625.0	560.0	65.0
Post Secondary Education Payments to Provinces	328.0	275.0	53.0
Canada Assistance Plan	300.3	251.9	48.4
Contribution to Unemployment Insurance Fund	87.6	82.2	5.4
Interest payments under the Canada Student Loans Act and liabilities under other guaranteed loans Acts	12.8	9.2	3.6
General Incentives to Industry (Research)	34.4	31.3	3.1
Payments to Cape Breton Development Corporation	13.5	10.5	3.0
Youth Allowance Payments	53.8	51.2	2.6
Family Allowances Payments	562.4	561.7	0.7
Trans-Canada Highway Contributions	45.0	45.0	—
Contributions under Health Resources Fund Act	37.5	37.5	—
Emergency Gold Mining Assistance	15.2	15.6	−0.4
Payment of (1) Carrying costs of storing Temporary Wheat Reserves (2) Administering the Prairie Grain Advance Payments Program	48.2	49.9	−1.7
Payments to Railway and Transportation Companies pursuant to the provisions of the National Transportation Act	82.0	96.0	−14.0
Other Statutory Items	66.3	96.0	−29.7
Total Statutory Items	5,671.9	4,813.2*	858.7
Items to be Voted:			
Defence Services	1,616.2	1,565.3	50.9
Regional Economic Expansion Contributions	153.0	107.1	45.9
Federal Government Accommodation	216.5	181.2	35.3
Adult Occupational Training	335.7	301.7	34.0
Indian, Eskimo and Northern Development Programs	242.7	210.2	32.5
External Aid (excluding an increase of $31 million in loans)	171.4	153.7	17.7
Broadcasting	166.0	151.1	14.9
Major Grants for Scientific and Social Research	124.8	110.4	14.4
Postal Services	360.0	346.6	13.4
Contributions for Urban Renewal, Sewage Treatment and Housing Research	49.0	38.1	10.9
Industrial Development Assistance	55.5	48.8	6.7
Water Research Programs	52.7	47.5	5.2
Other	2,642.2	2,596.1	46.1
Anticipated Further Supplementary Estimates	—	155.0	−155.0
Total Items to be Voted	6,185.7	6,012.8*	172.9
TOTAL ESTIMATES	11,857.6	10,825.9	1,031.7

*See "Note" on Page 2

(Details do not necessarily add to totals due to rounding).

[Mr. Speaker.]

Main Estimates 1969-70

TABLE II (page 2)

NOTE

The differences between the amounts shown for 1968-69 on Table II and those shown in the Revised Estimates and Supplementary Estimates (A) for 1968-69 are as follows:

	Items Authorized by Statute	Items to be Voted
—1968-69 Estimates	4,886.0	5,785.0
—Items authorized by Statute in 1968-69 and to be voted in 1969-70:		
Payments to Atlantic Development Fund	−33.0	+33.0
Incentives for development of industrial employment opportunities	−33.6	+33.6
Fund for Rural Economic Development	− 9.6	+ 9.6
—Item voted in 1968-69 and authorized by Statute in 1969-70:		
Payment to New Brunswick—Minto coal fields	+ 3.4	− 3.4
Anticipated further Supplementary Estimates	—	+155.0
	4,813.2	6,012.8

ESTIMATES FOR 1969-70 COMPARED WITH ESTIMATES FOR 1968-69 TABLE III
(in millions of dollars)

	Administration and Operation		Buildings, Works and Equipment		Grants, Contributions and Other Transfer Payments		Total Estimates	
	1969-70	1968-69	1969-70	1968-69	1969-70	1968-69	1969-70	1968-69
Agriculture—								
Department	98.2	88.2	6.1	7.1	146.5	160.5	250.8	255.8
Canadian Dairy Commission	0.3	0.3	—	—	—	—	0.3	0.3
Canadian Livestock Feed Board	0.3	0.3	—	—	21.6	21.6	21.9	21.9
Farm Credit Corporation	—	—	—	—	7.9	6.0	7.9	6.0
Communications—								
Department	9.7	8.2	5.4	5.3	0.6	0.5	15.7	14.0
Post Office	360.0	346.6	—	—	—	—	360.0	346.6
Consumer and Corporate Affairs	15.9	14.0	—	—	—	—	15.9	14.0
Energy, Mines and Resources—								
Department	79.6	70.9	17.9	16.3	21.7	23.0	119.2	110.2
Atomic Energy Control Board	0.5	0.4	—	—	5.4	3.9	5.9	4.3
Atomic Energy of Canada Limited	61.3	58.9	7.7	9.7	—	—	69.0	68.6
Dominion Coal Board	0.2	0.2	—	—	8.7	8.0	8.9	8.2
National Energy Board	1.8	1.6	—	—	—	—	1.8	1.6
External Affairs—								
Department	49.2	44.7	7.0	7.0	19.0	18.1	75.2	69.8
Canadian International Development Agency	5.8	4.0	—	—	171.4	153.8	177.2	157.8
International Joint Commission	0.5	0.5	—	—	—	—	0.5	0.5
Finance—								
Department	38.7	42.1	—	0.2	2,543.3	2,307.8	2,582.0	2,350.1
Auditor General	2.7	2.5	—	—	—	—	2.7	2.5
Insurance	1.6	1.5	—	—	—	—	1.6	1.5
Fisheries and Forestry	59.5	56.5	11.9	13.1	3.1	5.5	74.5	75.1
Governor General and Lieutenant Governors	1.0	1.0	—	—	0.1	0.1	1.1	1.1
Indian Affairs and Northern Development—								
Department	192.2	166.5	75.5	75.7	21.7	14.0	289.4	256.2
National Battlefields Commission	0.3	0.3	—	—	—	—	0.3	0.3
Industry, Trade and Commerce—								
Department	55.0	46.4	0.6	0.7	165.1	157.7	220.7	204.8
Dominion Bureau of Statistics	31.4	26.7	—	—	—	—	31.4	26.7
Justice	19.9	18.2	—	—	0.1	0.1	20.0	18.3

Labour—								
Department	13.0	11.4	—	—	0.5	1.2	13.5	12.6
Unemployment Insurance Commission	41.5	41.5	—	—	87.6	82.2	129.1	123.7
Manpower and Immigration—								
Department	209.1	186.2	—	—	229.5	207.5	438.6	393.7
Immigration Appeal Board	0.7	0.6	—	—	—	—	0.7	0.6
National Defence—								
Department	1,555.0	1,421.4	231.0	259.8	25.9	28.7	1,811.9	1,709.9
Defence Construction (1951) Limited	2.2	2.3	—	—	—	—	2.2	2.3
National Health and Welfare—								
Department	73.2	71.6	3.9	2.4	2,014.3	1,573.3	2,091.4	1,647.3
Medical Research Council	0.4	0.3	—	—	30.9	26.9	31.3	27.2
National Revenue—								
Customs and Excise	63.4	61.4	—	—	—	—	63.4	61.4
Taxation	68.5	62.7	—	—	—	—	68.5	62.7
Tax Appeal Board	0.4	0.3	—	—	—	—	0.4	0.3
Parliament	20.4	19.1	—	—	0.2	0.2	20.6	19.3
Privy Council—								
Privy Council Office	5.7	5.4	—	—	—	—	5.7	5.4
Science Council of Canada	1.3	0.4	—	—	—	—	1.3	0.4
Economic Council of Canada	1.6	1.6	—	—	—	—	1.6	1.6
Public Service Staff Relations Board	1.4	1.4	—	—	—	—	1.4	1.4
Public Works	153.7	144.1	136.7	116.7	45.2	45.2	335.6	306.0
Regional Economic Expansion—								
Department	20.6	18.1	10.3	11.4	161.0	124.6	191.9	154.1
National Capital Commission	24.5	24.5	—	—	—	—	24.5	24.5
Cape Breton Development Corporation	35.5	31.4	—	—	—	—	35.5	31.4
Secretary of State—								
Department	12.1	11.0	—	11.5	328.0	275.0	340.1	297.5
Canada Council	—	—	—	—	23.7	20.6	23.7	20.6
Canadian Broadcasting Corporation	—	—	—	—	166.0	151.1	166.0	151.1
Canadian Film Development Corporation	0.3	0.3	—	—	—	—	0.3	0.3
Canadian Radio-Television Commission	2.6	1.7	—	—	—	—	2.6	1.7
Chief Electoral Officer	0.5	14.4	—	—	—	—	0.5	14.4
Company of Young Canadians	1.9	1.9	—	—	—	—	1.9	1.9
National Arts Centre Corporation	2.5	1.1	—	—	—	—	2.5	1.1
National Film Board	9.4	9.4	0.6	0.6	—	—	10.0	10.0
National Library	2.0	1.6	—	—	—	—	2.0	1.6
National Museums of Canada	7.2	7.2	—	—	—	—	7.2	7.2
Public Archives	2.3	2.3	—	—	—	—	2.3	2.3
Public Service Commission	14.7	13.4	0.1	0.6	—	—	14.8	14.0
Representation Commissioner	0.1	0.1	—	—	—	—	0.1	0.1
Solicitor General—								
Department	1.3	0.8	—	—	—	—	1.3	0.8
Correctional Services	53.6	49.2	16.5	19.4	—	—	70.1	68.6
Royal Canadian Mounted Police	96.6	73.3	7.7	6.5	7.1	6.7	111.4	86.5

	Administration and Operation		Buildings, Works and Equipment		Grants, Contributions and Other Transfer Payments		Total Estimates	
	1969–70	1968–69	1969–70	1968–69	1969–70	1968–69	1969–70	1968–69
Supply and Services—								
Department	64.3	68.5	—	0.2	0.2	0.2	64.5	68.9
Canadian Arsenals Limited	—	—	0.3	0.3	—	—	0.3	0.3
Canadian Commercial Corporation	3.9	2.4	—	—	—	—	3.9	2.4
Transport—								
Department	201.0	170.1	81.6	117.0	25.0	27.5	307.6	314.6
Canadian National Railways	30.0	20.0	—	—	—	—	30.0	20.0
Canadian Transport Commission	7.3	4.6	—	—	112.1	125.0	119.4	129.6
Central Mortgage and Housing Corporation	49.0	38.1	—	—	—	—	49.0	38.1
National Harbours Board	2.0	0.4	7.3	9.5	—	—	9.3	9.9
St. Lawrence Seaway Authority	12.0	12.3	—	—	—	—	12.0	12.3
Treasury Board—								
Department	338.2	251.4	—	—	—	—	338.2	251.4
National Research Council	47.2	45.0	4.0	5.4	71.1	65.1	122.3	115.5
Veterans Affairs	76.2	74.8	12.4	6.5	332.6	344.6	421.2	425.9
TOTAL, ALL DEPARTMENTS	4,415.9	3,981.8	644.5	702.9	6,797.2	5,986.2	11,857.7	10,670.9
Anticipated Supplementary Estimates							—	155.0
							11,857.7	10,825.9

(Details do not necessarily add to totals, due to rounding)

Main Estimates 1969-70

TABLE IV

LOANS, INVESTMENTS AND ADVANCES

Department or Agency	1969–70	1968–69	Change
	(Millions of Dollars)		
Communications			
—Department	9.9	—	9.9
—Canadian Overseas Telecommunications Corporation	5.0	10.5	−5.5
Energy, Mines and Resources			
—Atomic Energy of Canada, Limited	148.9	112.0	36.9
External Affairs			
—Canadian International Development Agency	137.0	106.0	31.0
Finance	—	188.4	−188.4
Indian Affairs and Northern Development			
—Department	11.7	5.1	6.6
—Northern Canada Power Commission	4.0	8.2	−4.2
—Northern Transportation Company Limited	5.0	6.0	−1.0
Industry, Trade and Commerce	17.0	18.0	−1.0
Manpower and Immigration	0.3	—	0.3
Regional Economic Expansion			
—Department	49.8	53.1	−3.3
—National Capital Commission	7.3	4.9	2.4
Secretary of State (CBC)	30.0	25.0	5.0
Transport			
—Marine and Air Services	21.1	1.4	19.7
—Central Mortgage and Housing Corporation	114.0	90.2	23.8
—National Harbours Board	12.7	14.7	−2.0
—St. Lawrence Seaway Authority	41.0	41.0	—
Anticipated Supplementary Estimates	—	36.0	−36.0
	614.7	720.5	−105.8

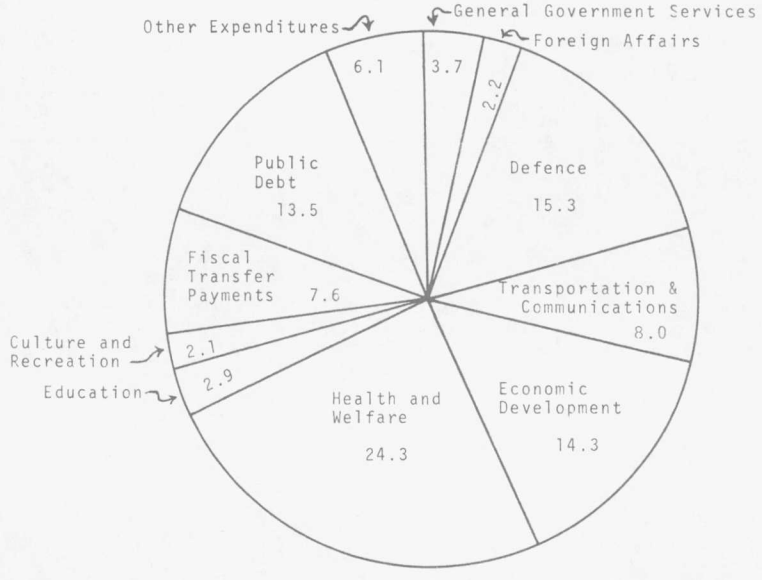
Main Estimates 1969-70

TABLE V

BUDGETARY EXPENDITURES BY MAJOR FUNCTION
(Millions of Dollars)

	1969-70	1968-69
General Government Services	440	408
Foreign Affairs	260	230
Defence	1,815	1,713
Transportation and Communications	948	946
Economic Development	1,693	1,569
Health and Welfare	2,883	2,405
Education	341	284
Culture and Recreation	245	237
Fiscal Transfer Payments	908	809
Public Debt	1,604	1,474
Other Expenditures	721	596
	11,858	10,671
Anticipated Supplementary Estimates	—	155
	11,858	10,826

PERCENTAGE DISTRIBUTION OF BUDGETARY EXPENDITURES BY MAJOR FUNCTION
1969-70



NOTES: *General Government Services*—includes expenditures for the protection of persons and property, the budgetary requirements of Parliament and the central administration of the Public Service, and the collection of taxes and duties.

Other Expenditures—includes services provided by certain departments to other departments, the government's contribution to employee pension and medical plans, and the Treasury Board Contingencies Vote.

[Mr. Speaker.]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, at this time I wish to make two or three comments on the estimates. I have just received them and heard the minister's remarks, and I think they are worthy of a little more study than I have been able to give them so far. Therefore I will not attempt to make extensive comments. Yet I could not help noting that the minister's remarks seemed to be delivered in an apologetic way. That may have been a personal impression, but it is an impression, nevertheless, that struck me very definitely.

I notice that the estimates are increased by $1.32 billion over the revised estimates for last year, in round figures an increase of 10 per cent. That increase contrasts sharply with a conviction expressed by the former minister of finance a little over a year ago that the estimates would not be increased by more than 4.5 per cent. At any rate, the increase in estimates was to be confined to that percentage. The actual percentage of the increase is double that fixed, so to speak, by the former minister of finance. The undertaking of the previous minister was guaranteed, of course, by the present Minister of Finance.

We will, of course, study these estimates carefully. Nevertheless, because of our experience during the past year, we will take them with a grain of salt.

An hon. Member: A whole bag full.

Mr. Stanfield: We shall do so, particularly, since the minister sprinkled salt on the budget estimates when he said he was in no position to be particularly firm on estimates of joint cost programs.

It is also a matter of regret to me that these estimates are not being presented to the house in a context of satisfactory financial relations between the federal government and the provinces. There ought, at least, to be an apparent willingness on the part of the federal government to meet with the provinces and frankly to work out with them priorities and approaches that would be in the interest of the Canadian taxpayer. Therefore it is a matter of regret to me, and to most Canadians I think, that the atmosphere existing between the federal government and the provinces in the realm of financial relations is not good.

It will be the duty of the opposition, sir, to examine these estimates with care. This we will do in the light of experience we have had in the past year.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I remember when other estimates were tabled. The present estimates are much like the others and reflect a stale likeness, as if the merit of any set of estimates is to be judged by how well the figures on both sides of the ledger balance. Any bookkeeper can make figures balance.

We concede that it is necessary for the government to run its operation on a businesslike basis, yet any businessman would be appalled at the government's attitude. After all, any business seeks to expand, to make use of initiative and seek out new avenues of opportunity. The present government does not seem to be prepared to act that way. It is perfectly content to demonstrate that the figures on one side of the ledger balance the other side.

We in this party look forward to the day when we will have a government that takes some of the actions that members in our society in the past have taken. It takes the attitude that this is a country that needs governing and leadership, that has an exciting future and deserves far more than a flat assessment of the debits and credits as given to us today. We look forward to the day when that will take place.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the minister who has just presented the budgetary estimates for the year ending March 31st, 1970 speaks of the importance of a balanced budget. Now, in order to achieve this, restrictions have been made, as usual, in every sphere of Canadian economic activity while the physical possibilities of developing the wealth of our country have been completely overlooked.

Mr. Speaker, I am anxious to see a responsible minister rise in this house to speak to us not only of a budget which enables us to spend the taxes levied but of a balanced budget which would take into account the potential resources of Canada and would make everything financially possible, according to the theory we advocate, throughout Canada, in short wherever we go, that is to make financially possible what is physically achievable.

Mr. Speaker, I note in those estimates that the interest on the national debt this year will amount to $1,604,000,000. Although that item increases from year to year, the minister

never speaks of reducing the service charges on that debt, which this year represents 13½ per cent of a total budget of $11,858,000,000, and the government finds that normal.

We go visiting countries throughout the world trying to help them, while we cannot even take steps to help the Canadian people who develop or are willing to develop the natural resources of our country. If that is what is called a just society, it is indeed a strange just society. In fact, it is, as we hear so often, a "just for fun society" which completely ignores the needs of the people and their capacity to increase productivity and the standard of living of the whole country.

Mr. Speaker, the Créditistes will keep on harassing the government. We are going to scrutinize the estimates and we shall fight any measure which would tend to prevent the development of our natural resources in any province.

The estimates are presented to us only a few days before the opening of the famous federal-provincial conference which should start next week. In my opinion, it is a simple invitation to the provinces to keep down their requests because when their representatives meet the federal authorities, they will be told that their needs cannot be met. As of this afternoon I could predict anything which is going to happen next week between the provinces and the federal government. In fact, the whole matter will be a taxation issue. The federal and provincial governments state that they are not able to meet their financial requirements. The mayor of the city of Montreal tells the right hon. Prime Minister: We are at the end of our resources, come to our rescue otherwise I resign. We are living through a period of giving up. I would not be surprised, some fine day, to see the Prime Minister come to the house and tell us: I am fed up, I am going too. But, there is one group which will stay here and it is the Ralliement Créditiste; it will keep on giving the facts.

Mr. Speaker, I have nothing further to add for the time being but we shall have something more to say later on. However, before closing I wish to say that instead of seeking a balanced budget in accordance with our present tax system, we should balance our national economy according to our physical capabilities, therefore putting our finances at the service of those capabilities.

Some hon. Members: Hear, hear.

[Mr. Caouette.]

• (2:30 p.m.)

[*English*]

AIR TRANSPORT

STATEMENT RESPECTING POSSIBLE FATIGUE FACTOR IN JET PILOT OPERATIONS

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, some days ago I undertook to make a brief statement with respect to the limitations on air crews serving on our regular air lines. The physical and mental condition of flight crew is a matter of continuing concern to governments all over the world. For this reason in the late 1940's ICAO, the International Civil Aviation Organization, recommended that member states take action to establish limitations on the flight time of flight crew members in the interests of flight safety. This ICAO recommendation was accepted by Canada and minimum standards in keeping with the ICAO recommendation were formulated with the assistance of the aviation industry associations concerned. Because of the variety of aircraft operations in Canada to which such standards must apply, the standards adopted were, of necessity, general in nature.

Over the years they have had to be amended slightly to meet specific situations, but it can be said that, notwithstanding a recognized need to refine them to take full account of individual types of operation, they have been given general acceptance by operators and crews alike.

In the application of these standards the Department of Transport requires every operator of large aircraft engaged in commercial air operations to submit a proposed text to the department for approval, for inclusion in the company's approved operations manual setting out instructions in this regard for compliance by company personnel. In considering the acceptability of such proposals the department takes into account environmental factors involved, such as the length of route stages, weather, type of aircraft, number of landings and take-offs, etc., as well as the consistency of the proposal with the standard itself. The acceptability of such a proposal is an important prerequisite to the over-all safety certification of the operator.

As an example the flight time limitations approved for Air Canada's operations limit flight crews to a maximum of 85 hours per month, 14 hours in any one day including the time necessary to prepare for and terminate a flight. There is also a requirement for a minimum rest period of eight hours between duty periods during which the crews are relieved of all duties associated with their employment.

Some concern has been expressed about the length of time spent on duty by Air Canada crews on the Montreal-Moscow service. In this regard I can say that the maximum duty time on the Montreal-Moscow service is 9½ hours.

While the procedures now followed in establishing flight time limitations through the approval of the company operations manual have served the purpose for which they were intended, future developments in aviation will require more scientific methods for determining fatigue levels. To this end the Department of Transport is participating in a study by McGill University. The Federal Aviation Agency of the United States also has a study under way. Depending on the outcome of these studies the department will take whatever action is necessary in the circumstances.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I am sure all hon. members are glad to hear that something has been done and is now being done to establish certain standards for pilots of aircraft commercially operated in this country. However with his announcement the minister has left a very great deal to our imagination, to conjecture, as to what is going on. For instance, he did not give us any idea how soon these recommendations are to be submitted by pilots for consideration by the government. Meanwhile presumably certain requirements have been made of pilots which are hardly in the interests of safety.

I note the minister has told us that at the present time pilots cannot be on duty more than 14 hours at a time. That is somewhat encouraging. The minister also said that pilots on the Montreal to Moscow run are not required to be on duty for more than nine hours at a time. I am glad to hear this, but it may be like the law against murder: there is a law against murder in Canada, but it does not prevent murders sometimes taking place. There may be regulations saying that these things cannot take place, but the information I and other hon. members have received is that some of the regulations simply are not carried out.

I have cited statistics in this house and in committees of the house as to the length of time that, it has been brought to my attention, pilots have been required to be on duty. It is now apparent, from the length of time that the minister has been looking into this matter, that something is indeed amiss.

A very large percentage of the Canadian public now uses aircraft on a daily or weekly basis, and it is very little comfort to the public to know that the government will consider certain recommendations which will be proposed some time, somewhere, some place by air line pilots. I can only hope that these recommendations will be made promptly, and that for once the government will act promptly with respect to them. Until that is done many of us, and I am sure most of the travelling public, will not feel very easy if we have doubt about the safety regulations covering commercially operated aircraft.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, the statement the minister has just read to us treats of a very technical subject. One assumes that the changes that are to take place with respect to new procedures and regulations covering the civil aviation industry will be made after a long period of painstaking testing and surveying, and after the receipt of submissions from experts in the field, and from the pilots associations.

One also assumes that Canada, as with other nations in the world, has a rather good reputation for maintaining a high level of safety performance in the field of aviation. It is gratifying to see that the minister and his department are keeping abreast with changes in this industry, to make sure that as technological improvements take place Canadian civil aviation operators will have to live up to new, high standards.

In specific terms, I wish to say I hope that the new regulations, when they come into effect, will be enforced effectively with respect to those air lines that operate on a charter basis. One has only to think back to a few months ago to an accident at Vancouver airport, when the aircraft in question was being piloted by a captain and co-pilot who had served a large number of hours of continuous duty, some 17 or 18 hours. It was small wonder that one and possibly both of them were rather punchy with fatigue, having spent that much time at the controls. This sort of thing can hardly be tolerated. For this reason it would seem that the minister's statement, which bears directly on this problem, should be welcomed by hon. members.

• (2:40 p.m.)

In conclusion I should like to say that in the future I hope the minister will show the usual and normal courtesy in making documents available. One would hope that he will not make a statement again to the house without first circulating, at least to each group in the house the contents of the statement he intends to make.

GRAIN

CANADA GRAINS COUNCIL—ESTABLISHMENT AT WINNIPEG MEETING

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I should like to report to the house on the meeting held in Winnipeg yesterday at which the Canada Grains Council was established, and I should like also to table for the information of hon. members certain relevant documents. These documents include the terms of reference of the council, the list of member and advisory organizations, along with a list of those organizations whose representatives will form the executive of the council, as well as a document showing the organizational arrangements that were approved by yesterday's meeting.

At that meeting the chairman and the vice-chairman, Messrs. A. M. Runciman and G. Heffelfinger, respectively, were installed. Subsequent to the meeting of the council the chairman held the first meeting of the executive committee. I am pleased to report that the initial meeting of the council was marked by an obvious desire on the part of those present to work together to solve the problems of the grain industry for the mutual benefit of all concerned.

The executive committee is immediately directing itself to the problems of establishing priorities for the various tasks that have been suggested by member organizations, the recruitment of staff, and are also to give consideration to the type of legal entity that will best suit its purpose. As soon as we have the views of the council on this latter subject, the necessary action will be initiated.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to comment on the statement by the Minister of Agriculture (Mr. Olson) with regard to the setting up of the Canada Grains Council, I might add that to a large extent he has left us still in the dark concerning the jurisdiction of the council. He suggested that the terms of reference were actually discussed at the meeting in Winnipeg, but he did not inform the house exactly what the jurisdiction of the council will be and whether it will be over and above that of the Canadian Wheat Board or the Board of Grain Commissioners. This is something we want to know. The minister shakes his head indicating that this is not the case.

I can only comment that the Grains Council as we see it today could bring forth no new ideas. Mr. Runciman, a man I have admired and a man who has a great deal of wisdom with regard to the grain trade, has been very actively involved in the grain trade in the past number of years. I do not think he has in any way been negligent in performing his duties in advising the government in the past number of years concerning ways in which the grain trade could be improved. I fail to see how his appointment as chairman of the proposed Canada Grains Council will in fact make him more diligent in respect of this very important industry, with which he has been involved in the past number of years.

The minister has not told us the exact terms of reference and the jurisdiction of the council, nor has he told us who will pay the cost of operating and maintaining the council, and I would hesitate to say whether it will prove to be beneficial or just be another board which will divide further the responsibility of handling grain, a very important problem this year, and one which will be very important in the coming months.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, it would have been appreciated had the minister seen fit to give us these documents so that we could have had a brief look at them. I have tried over the last two or three months to obtain information concerning the proposed terms of reference for this proposed council. I regard this as an important event. I believe this will be important for the farmers of western Canada. We should know what this council will do. We should have information concerning the role it will play. I think what it really has within it is the concept of a new base for decision making in respect of western agriculture. I believe this is a deliberate attempt to shift that base into what is often defined as the agri-business sector. I think it will result in a downgrading of the role of the farm organization, and that the decisions with regard to western agriculture will increasingly be made in the halls and offices of big businesses. It is not that I have a bias against big business—

Some hon. Members: Oh, oh.

Mr. Gleave: Nobody believes me. Well, I am sorry I have been interrupted, Mr. Speaker, but I want to say to the members of this house that I have successfully made a living as a businessman. However, I also wish to

say that I do not want business of any kind to tell me and my fellow farmers in western Canada how to run our businesses. What concerns me is what this particular move portends for the farmers of western Canada.

An hon. Member: Socialism; that is what it is.

Some hon. Members: Oh, oh.

Mr. Gleave: Mr. Speaker, to some extent at least the people who will dominate the Grains Council will be the grain businesses—the 10 per cent people—those companies who have been living on an income guaranteed by the Board of Grain Commissioners and the farmers of western Canada over the last number of years. I think we deserve from the minister information concerning the terms of reference, the manner in which this particular council will operate and the way in which it will be financed. Is it to operate under legislation that is to be brought before this house, which will clearly define its role, or will it be an advisory body?

We would like to know whether the reports of this council will be made public, so that the farmers and producers will know what recommendations are made. Only a week or two ago I asked for a report from the Department of Trade and Commerce with regard to the dairy industry. I was told that this is a confidential document. Will the Grains Council be another body that will issue a number of confidential documents, on the basis of which the government will take action, while the actual producer sits out in the country wondering who is calling the shots? So far as I and the farmers of western Canada are concerned, this is what we want to know.

The grain industry is vital to our welfare; we depend on it for a living. When I see reports quoting the chairman of the council as saying that one organization is representing the commercial farmers, and the other organizations are representing the non-commercial farmers, I become concerned.

• (2:50 p.m.)

Who is going to decide who is, and who is not, a commercial farmer? Who is going to call the shots in this situation? I want from ministers of the Crown answers to these questions. I am not prepared, and I say this flatly, to have the industry people in Winnipeg or anywhere else make, behind closed doors, decisions that will affect my welfare and that of my fellow farmers, and then tell us the decisions when they feel like it.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I just had a look at the statement made by the Minister of Agriculture (Mr. Olson) about the Canada Grains Council.

Like many other members, I was here during the debate that took place again last week on the grain question in western Canada. When I say "again," I do not mean I find the problem boring, on the contrary, it is because I see it as a very complicated problem, that requires the attention of all members in order to be solved as soon as possible.

I see that at their meeting on February 3, the Canada Grains Council, endeavoured to find means of solving in this problem for the time being at least.

The western grain producers wish to be paid too for their work so as to get an income that will enable them to meet their obligations.

The problem concerning the sale of western grain is beyond me. If we were going through a shortage at the present time, we could say: Good gracious, what is the matter? The land is getting barren, the people are hungry, there is not enough wheat to feed mankind, to feed our people; there is not enough grain to feed our cattle and produce meat, again to feed mankind. Then the situation would really be terrible. But it seems to me that the problem we face here is not that unusual since Providence is giving us the opportunity to produce on a large scale and to meet the needs of mankind so that we may, together, find a way of distributing that wealth we owe to the bounty of our land, to the toil of mankind and to the generous care of Providence.

Mr. Speaker, I believe that if the Commissioners really mean business, and do not merely sit once or twice every year, just for the sake of meeting each other, but have a genuine desire to find a way out, they will be able to reach the goal aimed at. I am hopeful that, through this means, we may, together, find answers. Maybe, in a year from now, we shall be able to say that the Canada Grains Council has made progress and that the Minister of Agriculture was well inspired when, he made the statement we heard today.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

[*English*]

NATIONAL HOUSING ACT

AMENDMENT TO REDUCE INTEREST RATE ON N.H.A. MORTGAGES

Mr. Robert P. Kaplan (Don Valley) moved for leave to introduce Bill C-166, to amend the National Housing Act, 1954.

Some hon. Members: Explain.

Mr. Kaplan: Mr. Speaker, this is a bill to amend the National Housing Act. It is designed to increase the supply of mortgage money available for residential purposes and to reduce the interest rate payable on N.H.A. mortgages. It is a very lengthy bill—

Mr. Baldwin: Did you tell Paul?

Mr. Kaplan: —which is necessarily so because it provides for the conversion of every existing N.H.A. mortgage into a bond mortgage divided into unit bonds as small as $100. Provision is made in the bill for the resulting bond mortgages to be offered to the public at an interest rate of one-half of one per cent less than the rate payable under the mortgage by the borrower. The one-half of one per cent deducted is remuneration to the trustee administering the mortgage.

Under present legislation, only very large financial institutions are eligible to make N.H.A. insured loans. At present rates, N.H.A. mortgages represent a high yield and very secure investment, which would be attractive to many Canadians who are at present unable to invest in them. There is in Canada at present, according to the Dominion Bureau of Statistics, over $16 billion—

Mr. Speaker: Order, please.

Mr. Kaplan: —invested in bonds—

Mr. Speaker: Order, please.

Motion agreed to, bill read the first time and ordered to be printed.

CONSUMER AFFAIRS

AMENDMENT TO PROVIDE REPLACEMENT OF FAULTY APPLIANCE PARTS

Mrs. Grace MacInnis (Vancouver-Kingsway) moved for leave to introduce Bill C-167, to amend the Department of Consumer and Corporate Affairs Act (electrical appliances).

Some hon. Members: Explain.

[Mr. Lambert (Bellechasse).]

[*Translation*]

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, the present bill derives from the fact that, and I quote:

Consumers buy stoves and other electrical household appliances which are manufactured in one part of Canada and sold across the country, as well as their spare parts.

[*English*]

Mr. Speaker, the purpose of this bill is to ensure that within a stated time manufacturers of all electrical appliances and parts shall be responsible for the replacement of individual faulty parts, or alternatively shall give a written statement at the time of sale that no replacements will be available.

Motion agreed to, bill read the first time and ordered to be printed.

• (3:00 p.m.)

ORAL QUESTION PERIOD

DOMINION-PROVINCIAL CONFERENCE

PROPOSALS RESPECTING DISTRIBUTION OF POWERS AND REVENUE SOURCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister a question arising out of the answers he gave yesterday to the hon. member for Prince Edward-Hastings (Mr. Hees) and remarks attributed to the Prime Minister outside the house to the effect that economic matters, including fiscal questions and the spending power of the federal government, would be discussed at the federal-provincial conference under the heading "Distribution of Powers". Would the Prime Minister say whether the federal government will have any concrete proposal or proposals to make concerning a possible redistribution of powers and/or reallocation of revenue sources?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the continuing committee of officials did not reach the point in their discussions where they were asked to submit propositions on this matter. Because of that we do not intend taking the initiative to raise these matters and to make proposals of our own at this conference as they have not yet been discussed by the continuing committee of officials. But I repeat that we are prepared to discuss any and every aspect of the constitution any time and anywhere with any of the

provinces at any meeting they want to suggest. So if they want to make proposals if they want to change the agenda, and if there is general agreement to do so, we will do it, but we insist that this is a constitutional conference and that the constitutional aspect of these problems be discussed. If the provinces want to have another meeting of the ministers of finance, this can also be agreed to, of course. But we believe that these questions can only be fruitfully discussed in the context of the constitution.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. Would I be justified in concluding from the Prime Minister's remarks that it is the position of the government that the present distribution of powers and allocation of revenue sources are adequate to meet the needs of confederation and the constitution for the time being at least?

Mr. Trudeau: Mr. Speaker, I was never one to say that there should be a vastly changed distribution of powers between the two levels of government, but again this is something I am prepared to discuss and on which this government is prepared to argue. If it is felt that certain areas of jurisdiction could be better administered by the provinces than by the federal government, and if this is the desire of the Canadian people, we will amend the constitution in consequence; vice-versa, if it is felt the federal government could better administer certain areas of the constitution which are now provincial, we would want a transfer in that direction.

As regards fiscal resources, the Leader of the Opposition knows that under the present B.N.A. Act both levels of government have nearly universal access to all forms of taxation, both direct and indirect. If it is felt however, that amendments of the text of the constitution are called for, we are prepared to discuss these also.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): I have a supplementary question for the Prime Minister.

He said a while ago that the tax structure allows the provincial governments to draw from the same source as the federal government and that the tax problem would of course be discussed at the conference, and I would like to ask him if the monetary system, which is under federal jurisdiction and has nothing to do with the provinces, is also to be discussed at the federal-provincial conference?

Mr. Trudeau: In regard to the first part of the question, Mr. Speaker, I do not want any misunderstanding. I said that for all practical purposes taxation sources are open to both levels of government, and all aspects of indirect taxation are certainly not open to the provinces under our present constitution.

As for the second part of the question, none of the provinces showed its intention to put the monetary problem, as such, on the agenda, and I am not aware that any of the provinces, even Alberta and British-Columbia, are willing to discuss the matter of Social Credit at the conference.

Mr. Caouette: Another question, Mr. Speaker. Would the Prime Minister be ready to discuss Social Credit at the federal-provincial conference?

[*English*]

REFERENCE TO SUPREME COURT OF OFFICIAL LANGUAGES BILL

Hon. Marcel Lambert (Edmonton West): I have a supplementary question, Mr. Speaker. In the light of the statements made by the premiers of the prairie provinces, and to some extent by Premier Robarts yesterday, with regard to the languages bill, would the Prime Minister consider that the federal government should seek at this conference under a particular item to establish clearly the points of reference with regard to the languages bill that might be made to the Supreme Court in order to remove any and all doubts about its constitutionality?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker, I believe the language question is very high on the agenda and we certainly would be very anxious to have the provinces explain their point of view on this matter. We commenced from the decision made at last year's constitutional conference to the effect that the report of the B. and B. Commission should be implemented to the extent that it said the French language should, in the rest of Canada, have equivalent rights to those enjoyed by the English language in Quebec. It is on the basis of this recommendation of the federal-provincial conference that we drafted our language bill which, as the house knows, applies only to the federal government and does not at all affect provincial legislation or provincial areas of jurisdiction.

I believe that the constitutional objection is not based on the fact that we would be interfering with provincial jurisdiction but merely on the fact that our bill may go beyond the

bounds contained in section 133 of the constitution. We hold, of course, that it does not, and we have made extensive studies of this point in the Department of Justice. But if the provinces want to argue that section 133 does not permit the federal government to implement bilingualism in the way in which the language bill does, we are prepared to have the courts arbitrate on it.

Mr. Diefenbaker: Not arbitrate.

Mr. Trudeau: To give an opinion on it, to adjudicate on it. But I feel, if section 133 of the constitution does have the effect of preventing the federal government from implementing bilingualism at its level, that we will have to fight very hard to have section 133 amended.

Some hon. Members: Hear, hear.

Mr. Lambert (Edmonton West): I am not contradicting the words of the Prime Minister but my question was whether it would be settled at this conference as to what the points of reference would be. After all, the federal government takes one stand in presenting its views, and so do the provinces, and obviously there is a difference of opinion. Will the points of reference to the Supreme Court be settled at this conference in the light of the stated positions?

Mr. Trudeau: I thank the hon. member for his question and I hope that some attempt will be made to give more precision to that matter. The point of view that the provinces and some of the public have taken, as I understand it, is that the bill in total would be ultra vires of section 133. I hope that the provinces, if they want to raise this question, will indicate what particular section is ultra vires because surely they cannot think that the whole bill is.

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question. Would the Prime Minister say what the government's position is with regard to amending the B.N.A. Act? Does he take the position it would affect only the federal government? Does he have to get the consent of the provinces or would he only have to go directly from this house to the imperial parliament for that amendment?

Mr. Trudeau: Is the hon. member's question relevant to the amendment of section 133?

Mr. Woolliams: Yes, Mr. Speaker.

[Mr. Trudeau.]

Mr. Trudeau: The hon. member knows that the amending procedure is not very precise in our present constitution. However, on this aspect of the question I think he would admit that the 1949 amendment of section 91 (1) precludes the federal government from proceeding on its own to amend finally the rights of the French and English languages as expressed under section 133 of the constitution. Therefore, apart from my own inclination, which has always been toward consultation rather than unilateral action, I think section 91 (1) answers the question.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, may I ask a supplementary question?

Could the Prime Minister tell the house whether he has considered or considers the possibility of obviating the Constitution by way of a referendum?

Mr. Trudeau: I do not understand, Mr. Speaker, how it is possible to "obviate" the Constitution by way of a referendum but I am ready to consider the suggestion, if I am given some more explanation.

Mr. Matte: Mr. Speaker, I would like to put a question—

Mr. Speaker: Order. I have to remind hon. members that the question period is limited and that several other members wish to put questions on other subjects.

Mr. George Valade (Sainte-Marie): Mr. Speaker, I wish to—

Mr. Speaker: Does the hon. member for Sainte-Marie want to put a supplementary question?

Mr. Valade: No, Mr. Speaker, my question refers to another subject.

[*English*]

NATIONAL DEFENCE

INCREASED EXPENDITURES AS A STATEMENT OF GOVERNMENT POLICY

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Prime Minister on another subject. Is the reported objective of the Minister of National Defence to persuade, if he can, the Treasury Board to increase defence expenditures to 3 per cent of the gross national product, a statement of government policy? Also, how does the action of the minister fit into the

review of foreign and defence policies which we are told is now taking place?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I believe the minister made it quite clear that his remarks should be interpreted in the light of the review of foreign policy and defence policy which is at present under way, and that his suggestion that defence expenditures be tied to a certain percentage of the gross national product, or perhaps the national income, is purely an exploratory idea which he wants to have discussed. It is not government policy.

Mr. Lewis: A supplementary question, Mr. Speaker, and perhaps I might preface it by saying that the actions of ministers during the period of this review are of some importance to parliament and to the people of Canada. Does the Prime Minister mean that individual members of his cabinet are free not only to express different opinions on policy publicly but also to seek publicly to persuade other ministers to accept their policies, as is reported to be the case in this instance?

Mr. Trudeau: As the house knows, in every government every minister would like to have a greater percentage of the budget applied to his department. There is competition for funds among all ministers; it takes place within the cabinet and it takes place outside of it. This does not distress the government, and we hope it is not causing too much confusion in the ranks of the opposition.

Mr. Lewis: A further supplementary question, Mr. Speaker, and perhaps I might preface it also by informing the right hon. gentleman—

Mr. Speaker: Order, please. The hon. member is getting into the habit of prefacing all his questions by statements; this he cannot do according to the rules.

Mr. Lewis: On a point of order, Mr. Speaker, when a minister, in answering a question, makes some suggestion about the behaviour of the opposition—

Some hon. Members: Oh, oh.

Mr. Lewis: —it is a very strong temptation to make a comment in return. I am sure Your Honour appreciates the sheer humanity of that position.

[*Translation*]

NATO—POSSIBILITY OF BILLING FRANCE FOR MILITARY INSTALLATIONS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Prime Minister.

Is it the intention of the Prime Minister or the Canadian government to follow the example of the American government and send a bill to the French government for Canadian equipment left in France after the withdrawal of NATO troops in compliance with orders given by the French government?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, we had not considered that additional source of revenue, but we could perhaps think about that when the province of Quebec sends a bill to the French government for the Quebec flag provided to the Quebec delegation in Kinshasa.

[*English*]

EXTERNAL AID

POSSIBILITY OF REACHING UNITED NATIONS OBJECTIVE

Mr. David Lewis (York South): A further supplementary for the Prime Minister on the same subject—it is not a question of being confused but of understanding exactly what is taking place. Would the right hon. gentleman inform the house whether, in view of the fact that the estimates tabled today still leave Canada's foreign aid much below 1 per cent of the gross national product, any member of the cabinet or of the government as a whole is setting a target date for reaching the United Nations' objective of 1 per cent?

Right Hon. P.-E. Trudeau (Prime Minister): The hon. member knows that the subject of foreign aid also forms part of the review of our defence and external policies. The government is not yet in a position to state what increases may be made or at what rate this 1 per cent figure will be reached. In the meantime, I am sure various ministers and various members on the government side will be promoting more foreign aid, while others will be promoting different objects of expenditure.

An hon. Member: No minister is pressing it.

Mr. Trudeau: Well, I am pressing it, Mr. Speaker.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

Mr. Speaker: There have been a number of supplementary questions on this point and I suggest we move on to another subject.

[*Translation*]

EXHIBITIONS

INQUIRY AS TO POSSIBILITY OF CONTINUING "MAN AND HIS WORLD"

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to direct a question to the Prime Minister.

I would like to know whether he or someone from his cabinet has met Mr. Saulnier, chairman of the executive committee of Montreal, in order to discuss a proposal regarding "Man and His World".

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I did meet Mr. Saulnier. In fact I had the pleasure to have lunch with him and we spoke a great deal about politics but very little of "Man and His World".

I can say that Mr. Saulnier did not come to Ottawa mainly in connection, I think, with the future of "Man and His World" but regarding the city of Montreal's debt to the federal government, and vice versa, for the world exhibition. This afternoon, he is to meet Treasury Board officials to discuss that matter which, as the hon. member can see, is rather special and has nothing to do basically with the future of "Man and His World."

Mr. Valade: Mr. Speaker, I should like to put a supplementary question.

Could the Prime Minister tell us whether the chairman of the executive committee has submitted a specific and concrete proposal to the federal government, in addition to the other subjects discussed in connection with "Man and His World"?

Mr. Trudeau: Mr. Speaker, I would like to answer without speaking out of turn, because it is for the chairman of the Montreal executive committee to state the reason of his visit but essentially once again, his specific proposal has nothing to do with the future of "Man and His World" but rather with the liquidation of the past. As for the future, I leave it to him to speak about it.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a supplementary question.

Since the Prime Minister has met Mr. Saulnier, is he confident that a solution will soon be found to settle the problem of "Man and His World"?

Mr. Trudeau: Yes, Mr. Speaker, I am confident that a solution will soon be found to settle the problem of man and his world.

Some hon. Members: Oh, oh!

[*English*]

HIGHWAY SAFETY

REQUIREMENT AS TO HEIGHT OF REAR BUMPERS ON TRUCKS

Mr. P. V. Noble (Grey-Simcoe): I have a question for the Minister of Transport, Mr. Speaker. Will the minister take the necessary action to require all trucks to be equipped with rear bumpers low enough to prevent cars from going underneath them in a rear-end collision?

Mr. Speaker: I am not sure whether this matter comes within the administrative responsibility of the federal Minister of Transport. In any case, I suggest this is the type of question which might be placed on the order paper.

THE MINISTRY

PUBLIC DISCUSSION OF GOVERNMENT POLICY BY MINISTERS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister arising from his statement with regard to discussions by ministers of government policy outside the cabinet. Would the Prime Minister kindly inform the house where he draws the line as to which policies may be debated in public and which must be debated in cabinet, with the press excluded?

Right Hon. P.-E. Trudeau (Prime Minister): I believe the theory should be quite simple to state, Mr. Speaker. A decision which has become government policy is not debatable by ministers. All of them are responsible for the decision and all of them must abide by it or else withdraw from the cabinet.

However, regarding policies that are in the formative stage, regarding priorities that the government will have to decide upon in the future, regarding the long-term orientation of the country and regarding planning in general over the next three, seven or 11 years, ministers and all members of the government party are encouraged to discuss, not only in

the house but in the country, all kinds of new ideas that will be conducive to the progress and dynamic future of this country.

Mr. Lambert (Edmonton West): Supplementary to that, Mr. Speaker, perhaps the Prime Minister could advise us at what stage the confidentiality of cabinet sessions enters into the picture when formulation of policy is being discussed after a debate outside the cabinet?

Mr. Speaker: Order, please. It seems to me that this type of discussion is highly academic and philosophical, and I am not sure that it is the type of debate we should have during the question period.

Mr. Lambert (Edmonton West): With the greatest deference, Mr. Speaker, the Prime Minister himself put the question in issue, and as a Privy Councillor I would ask for an explanation.

Mr. Speaker: Order, please. I think I should remind the hon. member that it was he who put the question at issue by his question. I doubt that the matter should be pursued by inviting the Prime Minister to make another academic or general philosophical statement in answer to this type of question.

AIR TRANSPORT

IMPLEMENTATION OF REGIONAL AIR POLICY

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport. Can the minister tell the house whether the Canadian Transport Commission is proceeding with plans to implement the provisions of the government's two year old regional air policy in areas of Canada other than British Columbia? I ask the question not only in view of developments in British Columbia which took place recently but also in view of the minister's indication that the government is actively studying the possibility of a merger between Air Canada and Canadian Pacific Airlines.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, in reply to the first part of the question, this is a matter of continuing concern. There are now some rays of light on the horizon, including the one just referred to by my hon. friend.

In reply to the second part of the question, I think I answered it in the house a day or two ago.

Inquiries of the Ministry

INDIAN AFFAIRS

MALNUTRITION IN PRAIRIE PROVINCES RESERVATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to know whether the minister for Indian affairs is now in a position to answer the question I asked the other day with particular reference to the Indians in the La Biche area of Saskatchewan, and also Indians elsewhere in reserves who, because of the very severe and inclement weather, find themselves unable to have for themselves the ordinary things of life, with the result that youngsters have to be kept from school.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I made inquiries following the question put by the right hon. member for Prince Albert (Mr. Diefenbaker), and I was informed that in La Loche, Saskatchewan, out of 800 people, only 100 are registered Indians.

In December and January, the 45 Indian families received social welfare payments according to their needs. Moreover, the department gave each of those families the necessary equipment for trapping and provided transportation for eight families to the working site. In addition, we established a special residential building program and gave special assistance to enable some Indians to do commercial fishing. We also took the necessary steps to inform the Saskatchewan government of the matter raised by the right hon. member and three officials of the department left this week for the northern region of those provinces to see what the situation is.

Some hon. Members: Hear, hear.

[*English*]

Mr. Diefenbaker: May I again ask the minister to look further into this question? Otherwise, unless action is taken that is effective many of these Indian people who have been law-abiding will join the mainstream of civil disobedience.

[*Translation*]

Mr. Chrétien: Mr. Speaker, with regard to the conditions of Indians in La Loche, I am sure there is nothing abnormal at this moment. As for the Metis population, I am sorry to say that I have no jurisdiction on that matter.

Inquiries of the Ministry

[*English*]

HIGHWAY SAFETY

ACCIDENTS INVOLVING TRUCKS OPERATED INTERPROVINCIALLY

Mr. Barry Mather (Surrey): Mr. Speaker, may I ask the Minister of Transport a question concerning the increasing number of highway accidents across the country involving interprovincially operated trucks. What steps are being taken at the federal level to meet this particular traffic hazard?

Mr. Speaker: The question asked by the hon. member is very wide in scope and requires a statement that should normally be made on motions. I suggest to the hon. member that the question cannot be asked in this form at this time.

HOUSING

REQUEST FOR RECOMMENDATIONS FOLLOWING TASK FORCE REPORT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to direct a question to the Minister of Transport. Yesterday the Prime Minister told the house that the minister was preparing a document for submission to the cabinet setting out his urgent recommendations arising out of the report of the task force on housing. Could the minister tell the house how soon he expects to be able to present this memorandum to his colleagues?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, that is the kind of information that is not normally provided to the house, but I can say to my hon. friend that I hope it can be done without delay.

Mr. Robert McCleave (Halifax-East Hants): A supplementary question, Mr. Speaker, of which I have given the minister notice. Has the government adopted the public housing policies set forth in that paper, or will those projects that are now in the pipe line, to use his word of Friday, be completed?

Mr. Hellyer: Mr. Speaker, no decisions have yet been taken. In any event it is very difficult to generalize because all of the projects are at different stages. However, the government will be considering policy in respect of these matters and will decide what changes, if any, are to be made in the present policy.

[Mr. Chrétien.]

FISHERIES

DESTRUCTION THROUGH OIL SEEPAGE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources but because of his regrettable absence I will direct it to the Prime Minister. In view of the seepage of oil over vast areas of the Pacific Ocean because of a leak in a well on the ocean floor, will the Prime Minister indicate whether certain safeguards are required from oil companies when permits are granted for offshore drilling on the Atlantic coast in order to prevent a similar occurrence on the east coast which could be destructive of our deep-sea fishing industry?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I will have to take notice of the question. I should like to inform the house that, in view of the fact that the Minister of Energy, Mines and Resources will unfortunately be away from the house for a few months because of illness, an order in council was passed this morning appointing the Minister without Portfolio from Saskatchewan acting minister during this period. I should appreciate it if in future questions were addressed to him as he will have responsibility for that department.

GRAIN

WHEAT—REMOVAL OF QUOTA DISCREPANCIES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Acting Minister of Trade and Commerce. In view of the difficult wheat marketing situation, is it the intention of the government to remove the discrepancies that exist between delivery points in regard to the quotas allotted thereto? Many places are still on a unit quota while others are on a two, three or even four bushel quota. Is it the intention of the government to equalize this situation as soon as possible?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, the Wheat Board makes every reasonable effort during the course of the year to give the maximum amount of equalization, but at the present time, as hon. members opposite should of course particularly appreciate, it does become very important on occasion to unbalance the quotas in order to provide for the delivery of the appropriate amount of grain to the appropriate spots.

Mr. Horner: A supplementary question, Mr. Speaker. It is a well understood practice that grain for export must be either at the Lakehead or the Vancouver terminal. In southern Alberta and southern Saskatchewan much grain was harvested dry. Deliveries over most C.P.R. lines are based on a three bushel quota whereas those on many C.N. lines are based on a one bushel quota.

Mr. Speaker: Would the hon. member please ask a question.

Mr. Horner: My question is this, Mr. Speaker. Quotas were allotted because there is a need to bring certain types of grain to the terminals. Why, therefore, is there this discrepancy?

Mr. Speaker: Order, please. That is an argument rather than a question.

POST OFFICE DEPARTMENT

NEGOTIATIONS RESPECTING FIVE DAY DELIVERY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the Postmaster General. Can he advise of any progress being made in his discussions with the unions regarding the dispute over five day delivery?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, there is not very much dispute over the five day week. What discussions are going on relate to other changes taking place in the post office. I spent over an hour and a half with union representatives this morning and I expect to see them again later in the week.

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. If there is no dispute, may I ask the minister why an order went out from him or his deputy minister to the effect that representatives of the postal unions should not display on the walls of various post office premises reports of complaints by postal employees concerning the five day week? Why was that order given? Is there not free speech among postal employees?

Mr. Kierans: Yes, Mr. Speaker, there is a great deal of free speech. During the last weeks there has been a great deal of free speech among postal employees. At one time union representatives wanted to distribute a bulletin, to which the right hon. member has referred, which gave directions to employees of the post office that I considered to be within the purview of management and not within the purview of the union. At that time I gave instructions that these bulletins were not to be posted. I should like to make it clear that the unions are not opposed to the five day week but there are a number of other changes they are questioning. We are considering their point of view and accepting many of their suggestions. I am confident that by the end of this week all our differences will have been satisfactorily settled.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In view of the fact that in the estimates he tabled today there are substantial increases for the various superannuation accounts, may I ask whether any of these moneys will be used to increase the pensions of civil servants already retired? If not, will other funds be found for that purpose?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the sums shown in the estimates request with respect to superannuation accounts relate to the sums needed to make up actuarial deficiencies and are not for the purpose the hon. gentleman mentioned. I reget to say that as yet no decision has been taken to make additional funds available to superannuates.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Is the President of the Treasury Board aware of the fact that in the United Kingdom arrangements have been made to increase the pensions of retired civil servants on April 1, for the seventh time? Will he study this and see—

Mr. Speaker: Order, please.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to put a question to the Minister of Transport.

Is he in a position to advise us where the negotiations being carried out between the

officials of his department and the government of Quebec stand at this time, in connection with the site of the future international airport?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, there will be at least one further meeting before any final decision is taken. My hon. friend can therefore conclude that the negotiations continue.

TRANSPORT

RAIL LINE ABANDONMENT—PUBLICATION OF COSTING ORDER

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Transport. In view of widespread concern about pending hearings on rail branch line abandonments, can the minister inform the house when the long overdue costing order will be published by the railway transport committee?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I cannot recall whether the order has been made public. In any event, I shall be glad to refer my hon. friend's question to the Canadian Transport Commission.

IMMIGRATION

HONG KONG—DELAY IN PROCESSING APPLICATIONS

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of what appears to be an unnecessarily long delay experienced by applicants seeking admission to Canada at the Hong Kong immigration office, would the government consider taking steps to make its operations there more efficient so that prospective immigrants can be admitted more expeditiously?

Mr. Speaker: Order, please. The hon. gentleman is not asking a question but making a representation. I assume it has been noted.

ARMED FORCES SERVICE BY U.S. IMMIGRANTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. Has his department issued a directive to examining officers instructing them to ask prospective landed immigrants from the United States whether they are currently in the armed forces? If the answer is in the affirmative, are the instructions to officials at border points to delay or deport such United States citizens wishing to enter Canada?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the directive I think my hon. friend refers to was sent out last July. Its purpose was not to alter the practice that had been in operation until then but merely to clarify the operation of that practice.

Mr. Orlikow: A supplementary question, Mr. Speaker. Is it true that last week in Toronto an officer of the department asked a prospective immigrant to testify under oath about his armed forces service and to say whether he held desertion to be a crime?

Mr. Speaker: Order, please. The hon. member should not ask the minister to confirm or deny a statement made in this way.

AIR TRANSPORT

STATEMENT BY MEMBER AS TO INFLATED FARES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct a question to the Minister of Transport. Will he inform himself of certain facts and investigate the very serious charges relating to inflated air line fares in western Canada made by the Liberal member for Edmonton-Strathcona (Mr. Harries)?

Mr. Speaker: The hon. member for Winnipeg North.

Mr. Paproski: On a point of order, Mr. Speaker, serious charges have been made by a member belonging to the minister's party. They were made not in the house but outside. Surely the minister must take cognizance of those charges and conduct an inquiry. Will he undertake to do so in order that the truth may be ascertained for the benefit of Canadians generally and the people of western Canada in particular?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I shall be glad to make sure that the representations made first from this side of the house and now from the opposition are brought to the attention of the Canadian Transport Commission which is responsible for approving air fares in Canada.

AIRPORTS

TORONTO—EXPANSION OF MALTON FACILITIES

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Transport. In the government's search for a new location for an international airport near Toronto, arising out of the need to expand facilities at Malton, has consideration been given to the building of an airport extending out into lake Ontario that would supplement the facilities at Malton? Such an airport would be immediately adjacent to downtown Toronto and would not be near residential property. Therefore no resident could complain of noise or pollution.

Mr. Speaker: The hon. member is making a submission to the minister similar to other submissions made by other hon. members. I would think the matter could be allowed to rest there.

Mr. McKinley: With the greatest respect, Mr. Speaker, a number of similar questions have been asked about airports during the last three months and have been allowed. Many of those questions had to do with an airport to serve Toronto. If the minister was granted leave to answer those questions, why can he not answer my question?

Mr. Speaker: Order, please. I know the hon. member has asked a question but we must hold the line to some extent. I realize that some hon. members will feel constrained to ask questions relating to their particular regions, but very little can be achieved this way, I suggest. That is why I suggest that perhaps the hon. member's question ought to be placed on the order paper. However, if the hon. member wishes to discuss the matter he has raised, he may do so at the time of adjournment.

NATIONAL DEFENCE

NATO—ANNOUNCEMENT OF POLICY BEFORE MINISTERIAL MEETING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask whether the government's policy on NATO and our membership in NATO or otherwise will be determined and announced prior to the NATO ministerial meeting in April?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, that is the deadline we have very much in mind. We shall try to meet it.

Mr. Stanfield: A supplementary question, Mr. Speaker. In the event that deadline is not met, does the government intend to include the Postmaster General among its representatives so that the views of the Postmaster General and the government may be adequately presented to NATO?

Mr. Trudeau: It sounds like a very good idea, Mr. Speaker. I wonder whether we can include as well some members from the opposition because there is quite a variety of opinions on the other side.

Mr. Speaker: Order please. I must bring to the attention of hon. members that the question period has expired. I know that a number of members who are anxious to ask questions have not had an opportunity to do so. I have made a note of the situation. Perhaps they can be given priority tomorrow afternoon.

Mr. Chrétien: I have a question to answer, Mr. Speaker, and I will not be in the house tomorrow.

Mr. Speaker: Order, please. The minister is seeking unanimous agreement of the house to answer a question. Is this agreed?

Some hon. Members: Agreed.

Mr. Simpson: Could the minister not get a special dispensation from the Prime Minister to be in the house tomorrow?

[*Translation*]

Mr. Chrétien: Mr. Speaker, tomorrow afternoon I have to work in my office.

INDIAN AFFAIRS

BUFFALO NARROWS, SASK.—ACTS OF VIOLENCE

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member for Dauphin asked last Friday a question concerning the locality of Buffalo Narrows.

Buffalo Narrows is not an Indian reservation, but a locality whose inhabitants include mainly Metis and non-Indians. Only three Indian families live there, and they settled down there of their own will. It comes under the jurisdiction of the province of Saskatchewan and the Premier of that province has indicated that his government is to conduct an inquiry on the conditions prevailing in that locality as soon as a full police report has been received on the acts of violence which broke out there lately. No Indian was involved in those incidents.

GOVERNMENT ORDERS

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT PROVIDING EMERGENCY PAYMENTS TO MEET DRYING COSTS

The house resumed, from Friday, January 31, consideration of the motion of the Minister of Industry, Trade and Commerce (Mr. Pepin) for the second reading and reference to a Committee of the Whole of Bill C-162, to amend the Prairie Grain Advance Payments Act.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, this additional cash advance to assist in drying damp grain is another indication that the government failed to recognize the problem which began to develop last fall. It failed to bring forth measures soon enough in order to alleviate the difficulty which was apparent as early as last October. The government has now made a belated effort to shift the responsibility for drying the grain from the terminals which have customarily done the drying for the farmers.

The problem of damp grain arose in 1959 and again since that time. Mr. McNamara, the head of the Wheat Board, has said until very recently in any event that farmers must use a great deal of caution in the use of driers on their farms because of the danger of burning or cooking the wheat which would ruin the protein content and make it lower than our export standards. In the last few weeks the Wheat Board has published full-page ads in weekly papers advising farmers that they should dry and not fry their wheat. The government is encouraging the farmers to dry their grain rather than consolidate it and have it dried commercially either at the terminals or on the prairies. It has said it will give the farmer a cash advance of 10 cents a bushel, but it is not giving the farmers anything but the interest. That is all. The bill is not clear on the point whether the cash advance is over and above the allowable six bushel quota cash advance which many farmers may have at the present time. If it is, it is still not enough.

Debate regarding the damp grain has arisen in the house from time to time throughout the winter. The Minister of Agriculture (Mr. Olson) in his last speech scolded the opposition for attempting to make headlines. He said that the net effect of debating this question in the house has been very detrimental to the grain trade generally. Mr. McNamara held a press conference in Winnipeg and stated there were 800 million bushels of damp grain on the prairies, including wheat, oats and barley. He stated the terminals could not possibly dry this amount and it would have to be done by the farmers. Because of that press conference debate was initiated on the matter. If there was any detrimental effect on Canada's grain trade it was caused as much by that action as by any action in this house.

In previous debates on this subject the Minister of Agriculture suggested that the opposition had not offered concrete suggestions. We have made suggestions, and had they been acted upon soon enough perhaps this bill would not have been necessary. Some time ago the Alberta Department of Agriculture stated that if more grain was not dried on the farms there would be an estimated $36 million loss to the farmers of Alberta because of the prospect of spoilage of damp grain this spring. On a previous occasion I suggested that the tariff on commercial driers ought to be removed. This suggestion was promptly accepted by the government. I suggested also that the government should ascertain through the municipalities where the largest number of driers were located which were not being used, find out where the largest amount of damp grain was located and then get the two together. I suggest the government should pay the transportation costs for the movement of driers. These driers should be operated by skilled people so that the protein content of the grain would not be endangered by frying rather than drying. The drying system has become a hit and miss affair.

From time to time we read in the weekly papers of one government or another, and in particular the premier of Saskatchewan, having stated that only half of the driers on the prairies are being used. I say to the minister neither that he nor the government made any real attempt to have the unused driers moved to where the damp grain is located. The minister never offered a subsidy or mileage payment or in fact any payment at all to ensure that the facilities already on the prairies would be used to capacity.

Additional interest free money has been offered in the hope the farmers will dry their own grain. The bill states that the grain must be damp. However, the minister did not say that it must necessarily be damp. How will the farmer's wheat be inspected to determine the moisture content and decide whether it is

damp or dry? As I understand the terms of the bill it would be very easy for a farmer to collect the extra $600. If I am wrong the minister can correct me. Unless the damp grain is actually inspected it will be very difficult to prove that a farmer is not in fact getting an additional $600 plus his six bushel quota and the $6,000 cash advance already made to him.

• (3:50 p.m.)

Mr. Olson: Do you want it to be more difficult?

Mr. Horner: The Minister of Agriculture asks whether I want it to be more difficult. All I am trying to do is to solicit information from him and from the Minister of Industry, Trade and Commerce on how the provisions of the bill will be applied to farmers. If the minister suggests he wants to make it more difficult—

Mr. Olson: No, you did.

Mr. Horner: I made no such suggestion at all. I said that in many cases this bill will allow farmers to collect $600, over and above the six bushel quota they enjoy and over and above the cash advances already made to them to a maximum of $6,000, unless the government appoints somebody to inspect the grain to see whether or not it is damp or tough and, when the grain finally has been delivered, whether or not it has been dried.

I say to the minister that in effect this bill is too little and too late. Of the 800 million bushels of damp grain on the prairies only about 200 million bushels have been dried. The terminal elevators at Vancouver and the Lakehead have cut off any further shipments of damp grain to them. They have all the damp grain they can possibly dry between now and spring. Surely the government should bring in measures such as I suggested previously to move large commercial dryers into pockets where damp grain exists and have that grain dried on a commercial basis. To some extent this is now being done by the elevator companies but they have only a moral obligation to do so. They have been given no financial encouragement whatsoever. They are under a moral obligation only to help the grain trade and try to satisfy their customers.

A little over a week ago we had an emergency debate in this house on the grain stituation. The government stated that the biggest problem was the weather. Now we have milder weather on the prairies. Will this alleviate the situation?

Mr. Olson: Certainly.

Mr. Horner: It is doubtful. We were told that approximately 360,000 box cars were being handled monthly at Vancouver, and now we are told that the port of Vancouver will have to handle up to 800,000 box cars in February in order to meet customer demands. What changes does the government propose to make this feasible? Is it going to provide 800,000 box cars of damp grain, dry grain, tough grain, or what class of grain? Certainly it would be dry grain under the provisions of this bill.

At no time has the Alberta Wheat Pool elevator at the port of Vancouver been plugged. It could have been taking grain all this time. What was the trouble? During the question period today I tried to elicit information from the minister as to why points in southern Saskatchewan and southern Alberta have a three or four bushel quota while points in northern Alberta, where most of the damp grain was grown, in some cases are on a unit or one bushel quota. Why is there this discrepancy between the two areas?

In my view the biggest problem lies with the railroads and their handling of damp grain. Some years ago there was a similar problem at the Lakehead and a traffic coordinator was appointed. I am thinking of the fall of 1965. Since then the idea of a coordinator has been dropped. Now a new Grains Council is being established. I did not have a copy of the minister's statement this afternoon when he announced that the terms of reference of the new Grains Council will give it power to inquire into all facets of the grain trade. However, I point out that the Grains Council is to meet only twice a year. The minister announced that one meeting was held in Winnipeg on February 3. He did not tell us when the next meeting is going to take place. I hope it will be before October or November, 1969.

The minister did not say what powers the council would have. He did not say whether it would do research into improved drying methods. He did not say who would finance the Grains Council. It looks to me as if it is another body which has been established so that ministers can say, when replying to questions in the house: The Grains Council should handle this. We will have the Grains Council look into this. Surely you are not complaining about the people on the Grains

Council. No one has complained about the people on the Grains Council.

As I said earlier today, the people appointed to the Grains Council are people who have been involved in the grain business. They are not going to do any more than they have been doing in the past unless they are given power to demand greater service and greater efforts from the C.P.R., the C.N.R. and other bodies. But the chairman of the Grains Council has been given no authority to tell the C.N.R. or the C.P.R.: You have not moved enough box cars to Vancouver; you are not moving the grain fast enough. What effect will the Grains Council really have? It will have the effect of smothering the whole problem, of putting another blanket on the whole problem so that we cannot get at its roots.

At a delivery point in my constituency 214 box cars, I believe, were loaded on January 1, but up until a few days ago those 214 box cars, mainly loaded with No. 2 wheat, were still sitting on the siding. After the emergency debate in the house some of the cars were moved and now there are only 120 still sitting on the siding.

Mr. Whelan: A frozen asset.

Mr. Horner: Somebody says "a frozen asset". A frozen government fits the description better because most of those cars contain dry No. 2 and No. 3 wheat which has been in demand at Vancouver for the past week or ten days. Of the 120 cars still at that rail divisional point 85 are loaded with dry No. 2 and No. 3 wheat. All they need is a locomotive to move them.

We are told that the C.P.R. is renting power units from the United States. Surely to meet the problem of moving 800,000 box cars a month to Vancouver we need something more than just a Grains Council with an over-all blanket approach to everything. We are told that the Grains Council is going to do research, is going to examine the movement of grain and transportation costs, is going to promote exports, is going to review, appraise and make recommendations. If it cannot do more than make recommendations, if it cannot do more than appraise, it will not aid in solving the damp grain problem.

With respect to the 800,000 box cars a month needed at Vancouver, the Alberta Wheat Pool elevator authority has stated that it can take 120 cars a day but the railroads can move only 85 box cars to the elevator. Where is the problem? The Alberta Wheat Pool has one-third of the storage at Vancouver, 7½ million bushels. The total storage capacity at Vancouver is 23 million bushels and at Victoria it is 11 million bushels.

• (4:00 p.m.)

Surely it is not good enough to encourage the farmers to the tune of 10 cents a bushel on another 600 bushels of grain. This bill will enable them to obtain cash and to buy or co-operate with a neighbour to buy a dryer to dry an additional 600 bushels. This is not enough. This will not eliminate the problem. To begin with it is estimated that of the 800 million bushels that were damp 200 million bushels have been dried. Recently the Alberta Department of Agriculture stated that if more grain is not dried in that province the farmers there stand to lose approximately $36 million because of the decay of grain which could conceivably come about with the warmer weather this spring.

We proposed the granting of permits for the movement of damp grain across provincial boundaries. The Minister of Agriculture, who criticizes the opposition for not offering constructive suggestions, said that it was a novel idea and would be considered. That is all we have heard about it. At least the grain trade and the Wheat Board know that damp grain is now moving illegally across interprovincial borders. Dry grain is also moving across and depressing prices to a large extent. While statements have been made about the grain trade in the United States to the effect that in the years ahead wheat will become a very difficult commodity to market, this government has followed an attitude of pessimism. The government has not announced how many bushels it will sell this year. All the minister who is the assistant to the Minister of Trade and Commerce has stated from time to time is that X number of cars more than last year were moved this year and that X more bushels will be moved this month than were moved last year in the same period. That is not good enough.

The government should renew confidence in the market by putting a stop to the practice of farmers selling their grain at reduced prices. Today the farmers of western Canada have no confidence that the government will in fact sell as much grain as it did last year. They say that if we get rid of the five bushel quota we will, by the looks of things, be lucky. How can you blame the farmers when some of them are still on a unit quota? The minister says that this disparity arises because of the distances involved in getting

the grain to the market. This is not the only reason. The disparity this past fall and winter has been greater than ever before. It cannot all be blamed on the damp grain situation. Many of the points which have a quota for damp grain have not been able to take any because there is no movement at all of damp grain.

It is not good enough for the government merely to bring in a bill to encourage farmers to dry a little wheat. In many cases this will encourage the farmer to get $600 in the form of a cash advance whether or not he intends to dry his own grain. I would not blame him for doing that because the government, through its silence, has created a very pessimistic attitude in western Canada. All the government needs to do is to say that it believes 400 million bushels of grain will be sold this year. This will encourage the farmers to dry their wheat and not sell it at reduced prices.

Any feed market operator in Alberta will tell you that he receives calls every day from farmers in Saskatchewan offering to deliver damp grain in Alberta. They want to move it. The Prime Minister tells the farmers of western Canada that they should sell their own wheat, that they own it and if they do not want to sell it the government will take over their farms. I am sure statements of this type do not aid the farmers or create confidence in the government. The assistant minister of trade and commerce knows that such a statement brings about a deterioration in confidence in the agricultural industry and to some extent in the authority of the Canadian Wheat Board.

The other day the Minister of Agriculture said that I was attacking the Minister of Trade and Commerce when I should be attacking the Wheat Board. I have never attacked the Wheat Board. I believe the chairman of that board is doing an admirable job. However, he is faced with a great many handicaps. He has the handicap of a minister who knows nothing about the subject. He has the handicap of a Prime Minister who goes about urging farmers to sell their wheat themselves for less and even take it across interprovincial borders. I suggest that the assistant minister of trade and commerce consult the officials of the Wheat Board. They know that damp grain and dry grain are moving across interprovincial boundaries, and they know it is illegal. They have not prosecuted a case because the Prime Minister told the farmers to sell their wheat any way they could and at any price.

Many farmers today, rather than waiting to take advantage of this bill, are selling their damp grain at 10 cents a bushel less. Anybody in the trade knows that damp grain can be bought for well below a dollar a bushel even after it is delivered over 100 miles away. There is no question but that the government has failed in this regard. It is the duty of the government to create confidence in the financial markets of the country and confidence in the major commodities that are marketed by this country. Yet the government has failed ever since it assumed office to create confidence in the wheat growing and marketing industry. The industry has continued to deteriorate because of statements like those made by the Prime Minister and because we have ministers in charge who have a limited knowledge of the subject.

I am pleased that the Minister of Industry, Trade and Commerce is now in Vancouver studying the problem.

Mr. Paproski: It is about time.

Mr. Horner: Yes, as an hon. member points out, it is about time indeed. We have heard a great deal about Roberts Bank and the movement of potash and coal. Is any consideration being given to the building of grain storage facilities at Roberts Bank? Are any facilities being created for the movement of railway cars to that point? We need greater grain drying facilities, particularly at Vancouver.

Someone said earlier in this debate that the grain drying facility at Lethbridge was not operating because it was out of order. Is that a good enough excuse when Alberta farmers are likely to lose $36 million? The government has a $5 million elevator at Lethbridge which is not being used because the grain dryer is out of order. Surely long before this time the government should have had the grain dryer working or should have bought a new one. This is not good enough when we are trying to encourage farmers to dry their own grain by giving them interest-free money which they must pay back. The government should consider the idea put forward by the right hon. member for Prince Albert (Mr. Diefenbaker) the other day in this debate that perhaps an additional $200 would encourage the farmers to rent a dryer and move it on to their farms to dry their grain.

• (4:10 p.m.)

It is not good enough to create a blanket, such as the Canada Grains Council may very well be, give it no authority, and shrug off

the responsibility by placing it on the farmers and saying: You dry the grain. The greatest asset of the Canadian wheat trade has been the quality of the wheat sold. It has long been considered one of the best quality wheats on the market. What will this bill do to create a better quality of wheat, or even to ensure that the present quality is maintained? If we had built more drying facilities and paid farmers a bonus to move their grain to drying centres, as was suggested earlier in the debate, it would have been more beneficial to the farmers.

The provisions of this bill are beneficial to the extent that they will allow farmers who have damp grain to obtain a cash advance of $600. I encourage farmers to obtain this advance whether their grain is damp or dry. The provisions of the bill are so unenforceable in this regard that farmers could easily do it. I encourage farmers to make use of these provisions and dry their grain, having taken advantage of the cash advance. However, I assure the minister that the provisions of the bill are not wide enough to save many millions of bushels of grain which may well spoil this spring unless additional assistance is provided for the movement of grain to dryers or the movement of dryers to the grain.

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, I was tempted to speak in this debate last Friday but was under the impression that there was agreement to pass the legislation that day and I did not want to deprive opposition spokesmen of the opportunity of speaking. It seems a little strange to me that many hon. members opposite should at the beginning or during their speeches indicate their support of this measure and then proceed to talk about other matters in connection with agriculture and delay its passage. A little delay in the implementation of this emergency cash advance legislation is not really very serious, however. The main thing is that the farmers should know it will be forthcoming before spring. This has been known to most of us ever since the government announced some weeks ago its intention to provide this special form of assistance.

There has been some criticism of this method of providing cash to help farmers pay the cost of drying their grain. Certainly some farmers and farm organizations requested outright cash assistance. This would have been the popular way to do it, and I am sure most people would prefer a grant to a loan if they had a choice. Some farmers in western Canada have been saying, though, that it would be unfair to make cash payments to farmers who had damp grain, giving nothing to those thousands of farmers whose crops were reduced in yield, quality and value by frost, drought or hail. Many farmers with damp grain also have other grain that may have been harvested dry, or has been carried over from last year. Many have livestock and poultry. Very few are destitute and seeking charity.

It has been alleged that by using this method of providing assistance the government is getting off scot-free so far as the unusual, emergency damp grain situation which exists on the prairies is concerned. I point out that these cash advances are interest free to the farmers but not to the government. I ask hon. members to remember that the amount of cash advances was doubled last fall, and with these special advances the government will now be putting up a very substantial sum of money by way of interest and carrying charges on loans, some of which will not be fully repaid for many, many months.

Farmers know this cash advance money will be available shortly. We know, too, that in a few weeks we will receive the final payment for the 1967-1968 crop. We know that the government has not abandoned us. We know that much legislation regarding agriculture has been presented this session. We know that cash advances have been doubled, that farm improvement loans have been reactivated, and more capital has been made available to the Farm Credit Corporation. We know that the government recently put the Wheat Board on a permanent basis. Some $3½ million were spent last year in implementing, for the first time in history, a guaranteed floor price for wheat. We know that in the past crop year, for instance, the federal government picked up between $40 million and $50 million of the cost of storing wheat under the Temporary Wheat Reserves Act. We know that the government continues to provide hundreds of services to agriculture across Canada, ranging from research to inspection, disease and pest control, right up to outright price support.

We all know it is important to the economy of Canada to do everything possible to ensure that our damp grain does not spoil. It would be a shame if this happened in a world in which there are so many hungry people who need the food we can produce. But it is also extremely important to the economy of each individual farmer who has damp grain to see that he does not lose it. He knows that

sooner or later he will sell his grain or feed it, and he is not going to let it be ruined.

I believe that bad weather and snow conditions are the main reasons why some dryers have been idle in recent weeks. It is simply not practical to dry grain outside on the farm when there are sub-zero temperatures. When the weather improves there will be an increase in drying activity, and I am confident that with the assurance of the availability of these special cash advances all farmers will take the necessary steps to preserve their grain and protect their investment in it.

The farmer's cash position could be somewhat improved if in the immediate future something effective were done to speed up delivery of grain to the terminals. On January 22 I asked the government to appoint a transport controller. This has not yet been done. In support of that request. I submit the following quotation from page 1785 of *Hansard* for May 8, 1967. The quotation is from a report of the Standing Committee on Agriculture on its investigation into grain handling facilities in Canada, and reads as follows:

> The committee is of the opinion that the appointment of a transport expediter during periods of recent stress performed a useful service in facilitating the movement of grain. It is your committee's recommendation that the government give consideration to appointing a transport expediter on a continuing basis.

I still think that if we had had the continuous services of a transport controller or expediter, we would not be experiencing the difficulties that exist at the present time in the movement of grain to the west coast. I believe that the Minister of Industry, Trade and Commerce (Mr. Pepin) is at the present time conducting a personal survey of the situation at Vancouver. I trust that everything possible is being done and will be done to make sure that sales are not being lost or our future markets hurt.

The agriculture committee report of May 8, 1967, also recommended the developing of a block system for grouping our country elevators for more efficient handling and shipping of grain. I am happy to note a recent announcement that two such experimental blocks will soon be in operation, one at Medicine Hat, Alberta, and the other at Dauphin, Manitoba. We farmers will watch these experiments very closely. It may well be necessary to inspect, grade and seal grain right on the farm and extend much further the principle of advance payments. There are many other implications of this scheme but perhaps these should be discussed at another time.

Another recommendation contained in the same committee report reads as follows:

> Your committee strongly recommends that the government and Canadian Wheat Board encourage the railway companies to speed up their plans for new track in the Vancouver area, and the improvement of the trackage already there. Your committee feels it would be desirable to co-ordinate all harbour and handling facilities for maximum efficiency.

I doubt very much that this recommendation, which like the others was presumably adopted by parliament, has been carried out to any appreciable degree, if at all. So I again urge the government, the grain trade and the railways to act quickly to overcome one of the main reasons for the farmers' shortage of cash—the grain transportation bottleneck.

• (4:20 p.m.)

Some hon. members made disparaging remarks the other day about the Liberals and their attitude toward agriculture. One reason I am a Liberal is that when I started farming on my own in 1931 in Saskatchewan, the first four or five years of my farming experience were under Conservative governments, both provincial and federal. Those were the dirtiest years of the dirty thirties. I took less than 20 cents a bushel at the elevator for the top grade of wheat, and less than 50 cents for flax. Those were not initial payments; that was the total payment with no final payment to come later. We hear talk now about the $1 a bushel that farmers voluntarily take as being something unthinkable. I am reminding hon. members of some of the things that have happened in years gone by under the Conservative government.

Mr. Horner: Who founded the Wheat Board and what party voted against it?

Mr. Douglas: Another reason I am a Liberal is that the best farming years in the past decade have been since 1963 when the Liberal party came into power. Our overseas exports of wheat are currently about 25 per cent ahead of what they were a year ago, and I am sure that the wheat surplus problem will be overcome and that we farmers can look forward with optimism and with full confidence that agriculture is not and will not be neglected by this government. Let us get on with the job and pass the legislation so that this very desirable assistance will be available to those who need it at the earliest possible date.

Mr. George Muir (Lisgar): Mr. Speaker, I rise to take part in this debate because of the

continuing desperate economic situation that our farm families are having to contend with on the prairies at the present time. The fact that we are only now considering legislation to make up to $600 available to each farmer for the purpose of drying his grain is but another indication of the complete muddle in which this government finds itself in regard to western agricultural problems.

Last fall the Minister of Agriculture (Mr. Olson) made a tour of southern Manitoba. He was accompanied by two of his political henchmen. After wading around in the soggy fields of southern Manitoba and having his picture taken as the saviour of the situation, he arrived back in Ottawa and told us that things could have been much worse. He was right because they have become much worse, chiefly because there has been no leadership on the part of the government in marshalling grain drying facilities or in co-ordinating our grain handling and transportation problems.

We have three ministers who are more or less responsible for this situation: the Minister of Agriculture who took a look at the fields, the Minister of Industry, Trade and Commerce (Mr. Pepin), and the Minister without Portfolio (Mr. Lang) from Saskatoon. Since last fall opposition members have been told that everything was under control, that these problems would be looked into or that the government would be discussing them with the railways, the Wheat Board or the grain companies. The three ministers worked on the principle that a soft answer turneth away wrath. The Minister of Industry, Trade and Commerce maintained his charm and his benign smile, which demonstrated the fact that he just did not know what to do. The Minister of Agriculture continued to play politics, at which he is very apt, and the Minister without Portfolio was too new at the job to know what was expected of him. In the meantime the situation at Vancouver reached crisis proportions, unloading problems piled up, supply routes got choked with the wrong grades of grain, and one large cargo which apparently was badly out of condition was shipped to Japan, a situation which should never have been allowed to happen. Ships hung around the harbour for weeks waiting for a berth. Here is what the Ottawa *Journal* of January 31 had to say:

> By January 15 there were 19 grain carriers around her, some seeking the same cargoes, others after Nos. four and five wheat bound for mainland China.

One ship, the *Toyota Maru* which arrived on December 11, finally pulled out empty on January 31. The article went on to say:

> To keep the vessel in trim cost about $2,500 a day.

This means that it cost roughly $130,000 to keep that ship in Vancouver harbour waiting for a load of grain.

> Demurrage—funds paid to ships idled due to circumstances beyond their control—will cover about $30,000.

This will be charged against the final payment farmers will get for their grain.

> Captain Kimishima hopes the Canadian Wheat Board, which acts for western Canadian wheat growers, will compensate the owners at the rate of $1,000 a day effective December 31.

That gives us some idea of the real mess with which we have to contend in Vancouver and about which the government does nothing. In fact, the Minister of Industry, Trade and Commerce in a speech made in Saskatoon said, after a visit during which he saw grain dryers in operation, that the grain situation in Canada is due to many factors. He cited the damp grain harvested last fall, record crops for three years, high sales and cold weather as the most evident reasons. But he admitted there were other less obvious factors. He said:

> Probably everyone could have done a bit more . . . even me.

We have been trying to tell the Minister of Industry, Trade and Commerce, the Minister of Agriculture, the Minister without Portfolio and the whole government that they should be trying to do more, but they have been leading us down the garden path. We have been doing all we can and we find they have been doing nothing. Surely conditions such as these demand action and not the evasive answers that opposition members have been getting over the last four months. Even the Minister of Agriculture will agree with that.

Mr. Olson: I wonder whether I could ask the hon. gentleman a question? Could he advise us how we could go about giving directives that the weather should be warmer now and that there should be no rain during the harvest season, because these are the major factors involved?

Mr. Muir (Lisgar): If the Minister of Agriculture will have a little patience I will tell him how he could have had the situation in hand months ago. We have had bad weather and rain for years; it is part of the western scene. We do not stay indoors just because of

rain or because it happens to be a little cold. I noticed that the minister had become a little soft since he came to Ottawa, but surely not that soft.

Mr. Olson: Neither have the farmers.

Mr. Muir (Lisgar): The government should give immediate consideration to the appointment of a transport controller—they should have done so long ago but it is still not too late—who would have authority to co-ordinate the movement of grain in order to meet our export requirements. The three western premiers have made this suggestion in an attempt, as they put it, to prevent any further loss of wheat sales. It is a sensible suggestion.

All this government bumbling has placed the prairie farmer in a very grave economic position. No business can carry on for long in a strait-jacket where, even if it is efficient, sales do not equal expenses. We have already had one year when a six bushel quota still left 50 per cent of the grain on the farms and this year, as the many letters I have received testify, some areas have not even delivered the initial quota.

Cash advances have helped and this legislation extending a cash advance for drying grain will help. But when one considers the expenses for fuel, seed, fertilizer, repairs, taxes, without even mentioning living expenses, mortgage payments and other expenses incurred in the operation, one wonders how much longer farmers are going to be able to carry on.

• (4:30 p.m.)

As one hon. member mentioned a few moments ago, grain drying on the farms is almost at a standstill because it is almost impossible to dry grain in sub-zero weather. This means that if we are to save the 200 million bushels of tough and damp grain on the prairies, all the work will have to be done after the weather improves. To make this possible, the government will have to know where every bushel of out of condition grain is located. It will have to see that grain drying equipment is available at strategic points, and it will have to make available the financial assistance which will be required to do the job, other than the loan of a maximum of $600.

The $200 acreage payment made by the former Conservative government to compensate the farmers for lack of markets other than the Canadian market paid dividends to the nation as a whole. I am sure that one Liberal finance minister can attest to that; he found that revenue from grain sales saved Canada's balance of payments situation on more than one occasion. Indeed, it has contributed to the nation's prosperity year after year.

I should like to point out to the Prime Minister (Mr. Trudeau) and to members of the government that though successive Liberal governments have repeatedly promised a two-price system for wheat, nothing has been done to implement this promise. One is led to believe that it is just another promise which can be dusted off at election times and conveniently pigeonholed afterward.

The acreage payment program amounting to a dollar per bushel for wheat used for human consumption in Canada was implemented by the Conservative government when the situation on the prairies was almost identical to that which exists today—huge surpluses and falling markets. In those days the Liberals described the payment as "peanuts", but it did help, if only by showing our farm people that the government of the day understood the seriousness of the situation and was prepared to use the resources of the nation to avert a disastrous situation for agriculture. If offers of assistance are any criteria, there has been no such realization of the seriousness of the situation in western Canada by the present government. Certainly there has been no imaginative leadership to help solve the problems we face in agriculture today.

While prices and wages in industry have risen appreciably over the last decade, prices of farm products have remained almost static. I am sure the Canadian consumer does not expect the hard-pressed western farmer to subsidize the cost of his bread. But because bread is a staple food, used particularly by families on low incomes, I still think it would be good business for the government to give consideration to meeting the difference out of the consolidated revenue fund. Payment of the domestic price could be made on the initial quota and the amount to be paid out would be calculated on the basis of the total amount used in Canada for human consumption. That is how simple it would be to initiate the two-price system. If the government fails to do something in this regard, the taxpayers of Canada are apt to find out, when the family farmer is forced to quit, that the corporate farms which will be replacing him are not too interested in keeping Canada a cheap basic food nation.

In closing let me say that if the government fails to respond to the pleas of western farm organizations and western members to initiate a program immediately to help preserve agriculture as a viable industry, the whole nation will be the loser and the industry itself will suffer irreparable damage.

I again ask the Prime Minister to appoint a transport controller, one who is familiar with the situation as it exists today, even if on a temporary basis only until the problem is in hand.

An hon. Member: With unlimited power.

Mr. Muir (Lisgar): Right. Further, I join with my hon. friend from Swift Current-Maple Creek in asking the Prime Minister to appoint one minister to be responsible for the Wheat Board and for the over-all marketing of our grain—one through whom the transport controller could report to parliament. We cannot expect a troika of ministers, each deferring to the other, without clear authority, to get us out of the grain-handling mess brought about by the government's bungling and incompetence.

Mr. John Burton (Regina East): Mr. Speaker, this bill is a pretence and a farce. In my view it is a substitute for action. It is one more illustration of the government's inability and unwillingness to take effective steps to deal with a crisis which is much more than a farm crisis or a western crisis. What we face here is a national crisis which has already taken its toll and will cost the Canadian economy much more if effective measures are not taken immediately.

Let me give the house some examples of the effect of this situation to date on various sectors of the Canadian economy. Take a look at retail sales in Saskatchewan. In the most recent six months for which figures are available, that is, from May to October, a period which predates the immediate crisis, retail sales in Saskatchewan amounted to $540.5 million, a drop of about $7.6 million compared with the figure for the same six months in 1967. If one takes into account the inflationary factor of approximately 4 per cent it means that the comparable figure for 1967 would be about $570 million, which would produce an effective drop in retail sales of some $30 million or over 5 per cent. There is little doubt, I believe, that this decline in retail sales will continue in the province, with an adverse effect both on the economy of Saskatchewan and on the economy of Canada as a whole. I suggest that all hon. members in this house should be concerned about the consequences of this situation.

As another example I draw attention to the situation in which auto dealers in Regina find themselves. They have experienced a decline of between 40 and 50 per cent in their car sales compared with a year ago. This, of course, has a direct effect on the automobile industry and will be of immediate concern to hon. members from Windsor, Oshawa, Hamilton and Oakville. Sales of farm equipment are also falling considerably below those of a year ago and this, in turn, has a serious effect upon the farm machinery industry.

When he introduced this bill on Friday the Minister without Portfolio (Mr. Lang) really had very little to say. I note, however, that he did use the following words:

> I therefore urge hon. members to join in the enactment of this legislation to make available to farmers who need this additional cash, interest free, the amount they need in the shortest possible time.

He was urging the greatest speed in getting this legislation through the house. It seems to me it takes a great deal of nerve to urge speed on the house in dealing with the legislation when one recalls that the announcement that the measure would be introduced was first made on December 24 and that the earliest date by which the government could bring it before the house was January 31. I do not think the government has any cause to talk to anyone else about the need for speed in dealing with this problem.

It would seem to me that either the minister found little to say in favour of the bill when he opened this debate, in which case I can sympathize with him, or he did not consider that there was a cash shortage on the prairies such as to make the legislation really necessary. I should like to hear a forthright statement on the minister's views in this connection. The Minister without Portfolio, the hon. member for Saskatoon-Humboldt, represents an important agricultural area. I should like to know whether he agrees that there is a cash shortage in western Canada at the present time in agricultural circles. I note his statement as reported in *Hansard* for January 31 at page 4996:

> The existing drying facilities in the terminals will not be able to dry more than a limited amount of the grain involved. As a result, there is a significant burden on the farmers of this region to dry the grain themselves. They are proceeding in this direction but in some cases the shortage of ready cash and a credit situation in which they find themselves may be impeding the drying operation.

• (4:40 p.m.)

Note the "may" in the minister's statement. If these are the real feelings of the minister it seems to me that a proposition like that is a rather shaky basis on which to introduce legislation in the house. I think that both members and the people in western Canada would also like to know whether or not the minister agrees that there is an unwillingness to borrow money to cope with the present situation and to carry on grain drying operations, and whether or not he agrees that this stems from an awareness on the part of farmers of the seriousness of the quota situation and that in coming months they will have a great deal of difficulty finding the necessary ability to repay any loans extended to them, even though they may be interest free.

I would also ask the minister whether he can muster sufficient support from his colleagues to ensure adequate policies to deal with the situation or, as I asked him previously, is he not convinced that there is a need for further action? It seems to me that some of the ministers who have been concerned with the western situation have been so entranced with and mesmerized by the business of setting up the Canada Grains Council that they have given the current crisis the minimum of attention.

The Minister without Portfolio, who told his constituents both before and after the election that he would go to eastern Canada and tell the people and the government about western farm problems, has given a performance that I suggest has been an abysmal failure. If the minister has not been able to persuade his colleagues of the scope and nature of the crisis that is facing western Canada, it seems to me that this indicates one of three things. First of all, it could mean that he does not understand the situation. Second, it could mean that he cannot persuade his colleagues of the seriousness of the situation. Third, it could mean that the government will not be persuaded. I should like to know which it is. Since I have known the minister personally for a long time I should like to give him the benefit of the doubt and suggest that it is the third possibility, but we would all like to hear what is the real answer.

The present grain situation is a national crisis. Today I talked to the hon. member for Vancouver-Kingsway (Mrs. MacInnis) who has just returned from the city of Vancouver, and the hon. lady reported that in her own constituency she found a great deal of concern about this situation. In her constituency there are a great many stevedores, people working in the port of Vancouver, grain handlers, railway workers and a whole host of people who are very concerned with the movement of grain as a daily occupation.

I have also given examples of the effect this situation has on retail trade and the effect it will have on industry in other parts of Canada. What has been the response of the government to this situation? I think the government has demonstrated the greatest combination of callousness, indifference and mismanagement ever witnessed in western Canada. Can the government not see the effect that this situation is having on the national economy or on many people in one of the major regions of Canada, which may result in people being pushed off farms unless a solution is found to the immediate crisis as well as to the long-range problems?

This bill is supposedly designed to help farmers dry grain. Over the past several months there have been contradictions in the attitude and policy of the government. First of all, the government would not recognize that there was a problem. Some members on this side of the house asked questions about the situation within a few days of the commencement of the session on September 12, but the government indicated that there really was no problem, that it would see how the harvest came along, that everything was under control.

Several weeks later, when it was finally recognized that there was a problem, we heard that there would be a three bushel over-delivery quota for tough and damp grain, and this was introduced in one step. I think it is now recognized by all people concerned and interested that the manner in which this over-delivery quota was introduced, not the fact that there was an over-delivery quota, but the manner and way in which it was introduced, has contributed substantially to the present problem and to some inequities that exist with respect to it.

After the government recognized that there was a problem the farmers were told they would have to dry their own grain. At the same time no help was offered to dry the grain and there was no co-ordination. It seems to me that this was the first step that should have been taken. I have witnessed previous crisis situations where there was a

joint co-operative effort on the part of the federal and provincial governments, the grain industry, farm organizations and the farmers themselves which resulted in a program being worked out to deal with the problem that was confronting them. We now have belated recognition of this problem and some very inadequate steps have been taken as a gesture to meet a crisis that is now acknowledged.

When farmers hauled their grain to the elevators after the introduction of the over-delivery quota, it was not moved fast enough to the terminals. Many terminals had to operate at below capacity for some time. Now, of course, they are plugged with damp and tough grain in many cases. There were delays in drying all the way along the line. Even when we received export orders, tough and damp grain kept coming to the terminals.

I for one have always believed that one of the advantages of the cash advance system was that it would provide more flexibility for the Wheat Board, when dealing with the business under its jursidiction, to move grain in such a way as to take the best possible advantage of market conditions. But all the way along the piece we have had bottlenecks, from farm to elevator, to the railways, and to the terminals. I suppose it is possible that the next bottleneck will be in shipping. Certainly that is going to happen if ships continue to leave the port of Vancouver at the rate they have over the past several days.

It seems to me that if the government is going to pursue a policy of drying grain on farms it would surely be logical in following up that policy to provide cash grants as assistance and as an incentive in order to show that the government really means business. In this regard a number of proposals have been made, as the minister will be aware. For example, the Saskatchewan Federation of Agriculture and the western conference of the Canadian Federation of Agriculture proposed cash assistance grants of up to five cents a bushel with a $200 maximum. Some of the friends of the minister in the Saskatchewan government had suggested six cents a bushel as a cash grant. Other farm organizations, such as the National Farmers Union, were proposing assistance of 12 cents a bushel.

Surely the government would have been able to work out an equitable scheme in conjunction with the provincial governments and the authorities concerned. This would have been an effective support and stimulus for the policy that we are urging upon farmers. As was suggested the other day, an investment of some $20 million to $30 million would be repaid ten times over and would also benefit the national economy. Instead we have had inaction, confusion and contradictory policies.

It seems to me that policies and programs to deal with grain drying now under consideration in this bill are only part of a larger picture and must be considered in a context that involves harvesting, handling, transport and export of wheat. The problems that have been created through government policies, or lack of policies, have been reflected all down the line. For example, to follow up this policy of farm drying of grain, why does the government not follow through with effective policies that will co-ordinate grain movement and handling all the way to the point of export?

• (4:50 p.m.)

Experience has shown that elevator companies do not like to keep damp grain. There has been no co-ordination with elevator companies and no control over them. Their operations have not been regulated and no penalty has been imposed if they do not ship grain as ordered. They have taken damp and tough grain thinking they would be able to ship it out shortly after receiving it. I know that elevator companies which have received shipping orders for No. 2 wheat have filled those orders with damp and tough grain. I think the minister is aware that is so. Certainly elevator companies are not required to adhere strictly to shipping orders given to them. Some of the difficulties with wheat have arisen from our lack of control over elevators and from lack of co-ordination with elevator companies.

There has been a great deal of uncertainty and apprehension in western farm circles. Some coming from the rural areas of my constituency report they have never seen the people of the rural communities there so despondent and dejected as in the last few months. It is obvious we must co-ordinate and control activities in the grain industry. We on this side of the house have been urging since last October the appointment of a transport controller. I was happy to hear the hon. member for Assiniboia (Mr. Douglas) urge the appointment of a transport controller. The Minister of Industry, Trade and Commerce has argued against this proposal a number of times, suggesting that a grain transport committee would serve as a better alternative. From our past experience we

have found that controllers are effective in speeding up the movement of grain and dealing with specific situations at particular times.

I am glad to see in today's newspapers that the Minister of Industry, Trade and Commerce is today looking into the difficulties at Vancouver. His is a rather late conversion; all the same I am glad he is looking into the matter. I hope that his action will be followed by other action which has been recommended today and on many other occasions.

The situation at Vancouver is relevant to the present debate. Damp and tough grain has plugged up the terminals at Vancouver. There is no excuse for that situation. Orders were given last fall that priority must be given for the shipment of damp and tough grain. Late in November new export orders for wheat were received from Japan. It seems only logical that if grain movements had been adequately controlled and co-ordinated export wheat would have received shipping priority.

We ought to have made certain that wheat required to fill export orders was available at export points. I understand, in fact, that the Canadian Wheat Board issued such orders on December 5. I also understand that the Saskatchewan Wheat Pool and the Alberta Wheat Pool adhered to these instructions for the most part. Nevertheless some other elevator companies continued shipping damp and tough grain, their idea being to get it out of their systems, out of country elevators where it constituted a serious problem. Because this happened we experienced a bottleneck in grain movements. That bottleneck has been particularly serious in Vancouver. The situation has been brought on as a result of government inaction. I say that because the government failed to deal with conditions which developed last fall.

I know that on a number of occasions the government has made excuses. First it hid behind the excuse that weather was a problem. Of course, no one can control the weather. The weather has made the movement of grain difficult. May I point out, Mr. Speaker, that I have had some experience in railway operations, having been employed on the railways for several years. Severe weather conditions are experienced by our western population every winter and it is often necessary to cut back on train service and shorten trains. These are normal operating conditions and ought to be taken into account. At the same time, I understand that weather conditions this winter were somewhat worse than most winters.

May I also point out that the government knew about the Japanese export order and knew it had been confirmed long before the severe spell of winter weather set in. If the government had wanted to take effective action it ought to have made certain that wheat was in export position long before the bitterly cold weather set in some weeks ago.

Members of the government have also pointed out that during the past several weeks we have increased export sales of wheat. In particular, we made a large sale of wheat to Japan during November. We give the Canadian Wheat Board full credit for its actions. I submit it is incumbent on the government, particularly since it is involved in various phases of the wheat situation, to support the Wheat Board. I think we all know that the railways do not place priority on the shipment of grain unless required to do so by the authorities. Most people in western Canada know this. I note, however, that the other day there was an announcement in the house that a special shipment of wheat was to go from Moose Jaw to the terminal at Vancouver. That is commendable although, goodness knows, there are serious problems connected with the build-up of shipping in Vancouver harbour.

The government has attempted to hide behind the skirts of the Canadian Wheat Board. We have indicated clearly that we support the actions of the Canadian Wheat Board and we do not wish members of the Wheat Board to be blamed for any shortcomings attributable to the government. Members of the government are accountable for our present difficulties.

Mr. Woolliams: You can say that again.

Mr. Burton: Canadians generally are concerned about our difficulties, and well they might be. The Prime Minister ought to be concerned, as should his ministers. We have been disturbed by statements attributed to the Prime Minister which show he is not taking much interest in the subject of grain. We have also been disturbed by the actions of his ministers.

I wish to make it clear that I do not question the general capability or sincerity of the ministers involved in grain matters. But we do need effective action on the part of the government to deal with specific problems,

and the government generally has demonstrated that it cannot cope with our problems. Western Canada and all of Canada will hold the Prime Minister, the ministers involved and the Liberal government accountable for their actions.

In order that problems facing our western community may be adequately dealt with we urge the appointment of a grain movement co-ordinator or transport controller who would co-ordinate the movement of wheat to terminals and on to ships. Second, we recommend that there be direct cash payments to farmers for grain drying. I suggest that about 10 cents per bushel might deal with the present situation. Third—and this has been suggested previously—we suggest that the government of Canada should pay demurrage charges on ships forced to wait for wheat, so that this added cost will not be subtracted from the final payment to farmers. Fourth, we urge the government to take additional and energetic efforts to see that more wheat sales are not lost and to make certain that we retain our share of world markets. Fifth, I suggest that an immediate study be undertaken with respect to grain drying on a long term basis. A delegation from Saskatchewan, led by Mr. Woodrow Lloyd, leader of the opposition in the Saskatchewan legislature, recently went to North Dakota to investigate grain drying facilities there. I shall be happy to make available to the minister any information this delegation gathered. Members of the delegation discovered that grain drying is a standard feature of elevator operations in North Dakota. It is the accepted practice there that elevators be equipped with grain drying facilities. Elevators are the proper places in which to instal drying facilities.

Elevator companies in this country hesitate to move into the drying field because they fear the large investment in equipment they have to make. They consider drying operations economically marginal. Such investments must be considered as bringing in returns over a long period. I urge the government to consider studying the feasibility of assisting in setting up facilities in this country similar to those in North Dakota. The installation of such facilities would help to deal with the immediate crisis facing western Canada.

• (5:00 p.m.)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to make a few brief comments in support of Bill No. C-162 which was introduced in this house last week.

[Mr. Burton.]

In my opinion, we do not misuse the time of the house, when we point out problems to the government, especially those dealing with farming.

I have noted that during the past few months, in various parts of the country, those problems have been raised intelligently, sometimes in strong terms—at the proper time, I think it is not a bad thing—and with much vigour.

Mr. Speaker, the discussion on wheat, grains, drying, etc. had a beneficial effect. In fact, it has prompted the government and particularly the Minister of Agriculture (Mr. Olson) to present the house with bill No. C-162 which is an emergency measure—

Mr. Stanley Knowles (Winnipeg North Centre): It is five o'clock.

Mr. Lambert (Bellechasse): —designed to facilitate the temporary solution of a problem, and to help western producers solve the drying problem by—

Mr. Knowles (Winnipeg North Centre): It is five o'clock.

Mr. Lambert (Bellechasse): Mr. Speaker, may I call it five o'clock.

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Moose Jaw (Mr. Skoberg)—Vocational Training—opportunities for unemployed to improve technical skills; the hon. member for Edmonton West (Mr. Lambert)—Information to Hon. Members Respecting Legislation; the hon. member for Winnipeg South Centre (Mr. Osler)—Power—Nelson River, Man.—alleged harmful effects of development.

It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, private bills, notices of motions.

PUBLIC BILLS

NEWS SOURCES PROTECTION ACT

PRIVILEGE OF COMMUNICATION BETWEEN JOURNALISTS AND NEWS SOURCES

Mr. Arnold Peters (Timiskaming) moved the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-15, to provide for the protection of news sources (press privilege).

He said: Mr. Speaker, it is rather rare that the idea embodied in a private member's public bill becomes topical at the time of its debate in the house. I believe that this measure to protect reporters from being forced to disclose the source of their material has an immediacy now because of the attitude to the press revealed so recently by the Prime Minister (Mr. Trudeau). I refer to his petulant outburst at Claridges in London on Wednesday, January 15.

There is additional evidence from two other situations involving the Prime Minister to justify this bill. Most of us remember his reaction to the printing by the *La Presse* of Montreal of details of the report of the Royal Commission on Bilingualism and Biculturalism. He put the R.C.M.P. on a hunt, and a young lady reporter was investigated and harassed in order to elicit from her the source of her information. A more pungent story was disclosed with the publishing of the hon. Judy LaMarsh's book. In it she writes at length about the irritation and concern of former Prime Minister Pearson about leaks from the cabinet in particular but also from the Liberal caucus. Miss LaMarsh describes the scene at the cabinet table involving a particularly gross revelation of a matter privy to the cabinet. She discloses that it was the present Prime Minister, then Minister of Justice, who advanced the means to put an end to the leaks by having the R.C.M.P. trace the leaks in order to determine the sources. So when the Prime Minister burst out in London with the proposition that the R.C.M.P. might be put on the trail of reporters to investigate their private lives it was the third manifestation of an idea held by our executive head of state, to preserve secrecy in government operations and to put newsmen at arm's length from government and politics by calling in the police.

Of course, defenders of the Prime Minister will claim that he was merely applying the argumentative technique of *reductio ad absurdum* to the matter in order to make its nature clear, as well as its silliness. Defenders of the Prime Minister will point to the apparently open, innocent invitation to debate the issue of the relations of the press and politicians. The Prime Minister is fond of this debating, dialoguing, participating gimmick. It suits his purpose since most of its advantages, at least to this point, lie with him. It is a cinch to dialogue with a pack of university kids in convenient gatherings where he has the stage, the microphone, the prestige of his office and his "trendy" popularity, while they are down in the pit and limited to a question or two. Again in London we saw the hollowness of this dialogue when the Prime Minister told one young questioner not to bother coming back to Canada if he thought that housing was a field falling within the federal jurisdiction. A fine dialogue that is and an ironic answer too in light of the Minister of Transport's task force report.

I take seriously the Prime Minister's threat in London regarding use of the R.C.M.P. because most of the reporters who were there believe he was not fooling. For example, two good and fair journalists are George Bain of the *Globe and Mail* and W. A. Wilson of the Montreal *Star*. It is clear from their stories of the event that these men took the Prime Minister at his word. I have digressed, but the clear fact is that we have a Prime Minister with a Gaullist view of reporters.

One of the poorest features of the parliamentary system of government is its fetish for secrecy in order to protect the bureaucracy and the executive. We in the opposition are always probing and pressing for information. It is en elemental part of the political game in Ottawa and one of its great frustrations. This fetish for secrecy, this developed distaste for openness in information about both administration and policy development, puts a heavy onus on reporters of the day to query, to speculate, to cultivate particular sources. Why? Because it is their job to find out what is going on, what factors are under consideration on any issue or regarding any personality and agency in politics and government. If reporters did not do this we would receive our political information largely by handout and with an inordinate amount of news management.

In the Toronto *Telegram* of April 3, 1967, there appeared an article written by Douglas Fisher and Harry Crowe regarding politicians and the press. The article refers to the policy of a journalist to conduct his business in a

proper journalistic manner, and reads in part as follows:

> Any journalist with perspicacity—reporter, columnist, radio or TV—knows that the best way to find out the main elements of what is going on or is likely to develop in Ottawa is not through the open happenings that pass on the floor of the house or at press conferences.

• (5:10 p.m.)

> One has sources, "leaks", politicians and their assistants and their officials who want to create an impression or set up a situation or counter a "going" interpretation. One probes and gropes and listens and weighs.
>
> The process has many of the elements of a kid's secret society about it. Prejudices and enmities and rivalries build up. Then they burst into the open when someone, usually the politician, comes to believe he is getting a raw deal.

Clearly, Mr. Speaker, the Prime Minister wants to manage the news. He does not want anyone, even his associates, to get between him and the voter. So we get all this flummery about feed-back, regional desks, and all the jazz about dialogue and participation. So we got that dictum from him right after the election that any cabinet minister who got out of line by revealing information would not be a cabinet minister for very long.

It is easy enough to understand how this authoritarian, rather arrogant style of the Prime Minister developed. He has not gone through the apprenticeship of constituency and party politics. The personal freedom given him by wealth and exceptional opportunities for education without the pressures of earning a living have bred a feeling that he is above the common Joe. And he comes out of a society which, in his formative years during the Duplessis regime, was very authoritarian and strong on hierarchy and order. So it is in his nature, and it is as a result of his training that he calls for the police—

Mr. Gibson: On a point of order, Mr. Speaker—

Mr. Peters: —to ferret out those—

Mr. Deputy Speaker: Order, please.

Mr. Peters: —who dare to pierce the screen of his cabinet's and his own activities.

Mr. Deputy Speaker: Order, please.

Mr. Gibson: Mr. Speaker, I and I am sure many other members are interested in this bill. But what we seem to be getting from the hon. member is a personal attack upon the Prime Minister rather than dealing with the bill itself.

Mr. Deputy Speaker: Order, please. I must confess that I was developing the same misgivings and I would invite the hon. member for Timiskaming to try not to stray too far from the precise provisions of his bill.

Mr. Peters: Mr. Speaker, I was explaining why there is a considerable need for this type of bill today, and I was pointing out that the actions the Prime Minister has been taking would lead one to demand the type of protection being asked for in this bill. I repeat that it is in the Prime Minister's nature and it is as a result of his training that he calls for the police to ferret out those who dare to pierce the screen of his cabinet's and his own activities. I think he will learn that such threats are un-Canadian, that this is one part of the French heritage that Canada can do without.

An hon. Member: Shame.

Mr. Peters: But the fact that he thinks this way is a prime and timely reason to enact this simple measure that I advance. Remember that this bill is not designed to protect a reporter or his employer from libel. It is no protection for a reporter who goes beyond the law and decency in interfering with the privacy of individuals, groups or corporate entities. The effective part of the bill is clause 3 which reads:

> A journalist is not compellable to disclose or produce to a court the source of information relating to public news, intelligence or reports of events that is given or communicated to, or is seen, heard or otherwise obtained by him and published or broadcast in whole or in part by a newspaper.

Several examples were in my mind when I brought in this bill. Most of us remember the late Blair Fraser of *Maclean's*, a man whom many would put on the highest level of Canadian political journalism with Dafoe, Dexter and O'Leary. A decade ago he refused in court to reveal the source of a piece of information which was in one of his stories and he was held in contempt of court for his stubbornness. As I remember, his defence was that if he broke the undertaking between himself and his source the latter's identity would not be confidential and he would be guilty of a breach of professional ethics. He believed that the quality of trust in the reporter would be destroyed. A few years ago a woman reporter from a New York paper went to jail rather than reveal the source of a piece of information she had used in a story.

I am neither an intimate nor a close student of the press and the people who work as reporters. But I know that those of us in

politics, particularly in opposition to a reigning government, would do much more poorly at our jobs if the reporters were not at work probing for sources of information. There is nothing a government likes better than to be in total control of what goes on within it and there is nothing as bad for the public weal if it can exert this control.

I and my colleagues believe that the test of secrecy of information ought to be not what the government chooses to reveal but that it should reveal everything except what is explicitly made private. This has become the practice in Scandinavian countries. In Sweden any citizen is entitled to look at almost every government file if he so wishes. This is surely the ideal of an open society. This bill, of course, is not so positive and embracing. Indeed, it is a short bill designed to protect a specific kind of worker in the pursuit of his calling in a society with a government system that is not yet ready to be open and frank. In spite of its narrowness within a huge field I believe this bill merits the support of hon. members.

I understand that tonight in the other place Senator Davey is moving a motion for a study of the press in Canada. I do not know what special gifts or expertise he has for this chore. If such a committee study is to be undertaken it would certainly seem to me that it should be done by a house committee. One of our privileges is a vital one in that what we say here is protected from action in court. We can appreciate the importance of this privilege. What I seek to extend here to reporters is a much smaller privilege but one important to them and perhaps essential if the Prime Minister pushes farther his penchant for using the police for investigations into the source of reporters' news.

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I submit that the normal rules of the game prohibit unfair disclosure of news sources as a rule in news reporting. However, sir, it seems to me that when serious slander or libel occurs, when the security of the nation is breached, or when malicious and unfair rumours are blazoned forth by the press against possibly innocent victims, it is time to step in and demand that the source of the witch hunt be revealed. Obviously the hon. member for Timiskaming (Mr. Peters) is intent on an attack on the Prime Minister (Mr. Trudeau) today and is not interested in anything else but getting headlines for his own benefit.

Mr. Peters: From private members' hour? Are you kidding?

Mr. Gibson: He failed to address himself to the real principle of the bill. Certainly anyone who heard the entire dialogue with the university students in London would be greatly impressed by it as the most interesting example of dialogue in which any prime minister in the world has even taken part.

An hon. Member: Did you hear it?

Mr. Gibson: I did, sir.

Mr. Woolliams: You are looking for an appointment.

Mr. Gibson: Looking for an appointment, sir? From my seat, so close to the curtain, I assure you I am not that optimistic.

[*Translation*]

In this second language I am trying to practise as much as I can, Mr. Speaker, I submit that the press is enjoying presently all the freedom it needs, without our providing it with any more protection. Let us not allow it to go so far as destroying individual freedom.

[*English*]

For that person who slanders his neighbour I for one hold no respect and will not grant privilege. Surely it will be agreed that in the normal course of events there is no problem. But I say that when there is a problem, when someone's reputation is attacked and when the source of the rumour hides, why leave the source immune? Why leave the victim of the unanswered rumour to be pilloried by the press?

• (5:20 p.m.)

I say that to ensure fair investigation there is a paramount duty of fair disclosure of news sources for the very good reason that only by unrestricted disclosure can the truth be revealed and aired in public and true justice be done. Otherwise the heroes of the hidden press, the unreliable journalists, can play a game of gossip, shelter behind privilege and laugh at the innocent victim as he struggles to overcome his ruined reputation. On most occasions there is no need for disclosure, but when the chips are down I submit it offends natural justice to give the press loaded dice and leave the victim out on a limb.

Therefore I resist this bill as offending the law of give and take. As all hon. members know, there is a rule of law to the effect that all people are equal in the eyes of the law.

This is an area in which one side does all the giving and in which the often innocent victims of malice, with or without oppression, do all the taking.

For these reasons I oppose this bill as a denial of the right to a fair and just trial. It is fair only to one side and discriminatory and vicious in respect of the victim on the other side. I question most strongly the provisions of clause 3 of the bill which reads as follows:

> A journalist is not compellable to disclose or produce to a court the source of information relating to public news, intelligence or reports of events that is given or communicated to, or is seen, heard or otherwise obtained by him and published or broadcast in whole or in part in or by a newspaper.

I submit that in a government inquiry into intelligence matters it may be that the security of the nation is more important than the protection of a newspaper editor. I submit that this bill would mean an unwarranted change in the law, something which we should consider very seriously before adopting.

Mr. Peters: There is a special law, the War Measures Act.

Mr. Gibson: When we are at war conditions are different.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I shall be quite brief. I say without any reservation that I support this bill. I think it is a good bill. I should like to make three points. I think hon. members on both sides will agree that all news media—newspaper, television or radio—in a democracy are part of that democracy. After all, it is the news that is published which causes the public to be informed concerning what parliament and the government are doing. In fact you can carry this to any extent so far as a democracy is concerned. In a democracy it is the responsibility of the press to report the facts.

Some people may suggest that over the years there has been some change in reporting in that the reporters now act more as column writers, commentators and artists who paint the news as they see it rather than print the facts so that the people can draw their own inferences. I believe, however, we must accept that the newspaper is a very important part of the functioning of any parliamentary system. All one need do is think of any European country which has established a dictatorship to realize that those dictatorships control the press. The people there are fed the kind of information the dictator and the group around him want the people to have. We have seen the invasion recently of Czechoslovakia. We know that when the U.S.S.R. took over that country their first attempt was to control the press in order to hide from the people there the real issues and the views of their leader so far as liberty and freedom are concerned. So on this basis I support the bill.

In order to obtain news—and this is where I fall out with the hon. member for Hamilton-Wentworth (Mr. Gibson)—the press must have sources. The great news stories of the world come from certain sources. If those sources must be disclosed then the tap of news dries up. I have always felt that a medical man should have the same privilege a solicitor has. If someone discloses information to a solicitor that information is privileged; it cannot be given in evidence in court. The solicitor can apply for the privilege and it will be given. This does not apply to medical men. I think, however, that this privilege should apply to the press. For instance, if I personally happened to be the source of information I might not in that particular case wish my name to be connected with the story.

If we were to say that the names of people must be disclosed we would dry up the news; we would close the tap and shut off the flow of truth to the nation. I support the bill wholeheartedly. I believe that when the members of the committee take a look at it they will appreciate that as the hon. member suggested there is a protection under this bill. When one speaks of slander and libel, nowhere in this bill is there anything which prevents the newspaper or the reporter being sued for libel or slander.

Mr. Gibson: What about security?

Mr. Woolliams: I will come to that in a moment. If a newspaper breaks the security laws of the nation it is liable. It may be that a person who has certain secrets would give them to a newspaper. That situation might arise. But we are not dealing with the security of the state; we are talking about news of parliament and news which flows through the community. I am sure that the newsman from the Toronto *Star*, when he found that Mrs. Munsinger was not dead but alive, obtained that information because he hustled about day and night and found people who would talk to him.

An hon. Member: Fly by night.

Mr. Woolliams: Very true; that is an illustration. Then we have the words of a Privy Councillor, a Liberal, the words of Judy LaMarsh which are found at page 345 of her book. I am sure my good Liberal friends will not say I do not have a good authority. This is what she says; "Then Trudeau suggested...". She had been talking about cabinet leaks. There have been cabinet leaks and as long as there have been parliaments there have been caucus leaks. I often learn through sources I have about some of the very important debates that go on in the Liberal caucus and I know the Liberals sometimes obtain information about the Conservative caucus. Maybe it is a good thing that the truth and the facts do slip out through sources so that the people of the country are kept informed. This is a very startling situation. The minister who wrote the book, Judy LaMarsh, was asked on television whether she broke her oath as a Privy Councillor and she said no.

• (5:30 p.m.)

This is what she says when talking about cabinet leaks, and they had lots of leaks; in fact, there were various kinds of leaks.

Mr. Crouse: Worse than the *Bonaventure*!

Mr. Woolliams: Yes, and far more damaging to a person's character. Miss LaMarsh says:

Then Trudeau suggested that we should put a stop to it once and for all.

He came forward with an idea for stopping these leaks.

He proposed calling in the R.C.M.P. to find out how the leak had happened and from what source.

In other words, her suggestion was that there must have been a Liberal source or a cabinet source that was feeding the news to the newspapers, television and radio. The then minister of justice said: We will get the police after our own men. Judy LaMarsh continues in her book:

At first there were some murmurs of agreement.

I can just see the cabinet members sitting around their beautiful table, with paper and pencils, and some of them murmuring in agreement. This is very interesting.

On reflection, the public reaction—should our action ever become public that our ministers could be so little trusted that they had to be under police scrutiny all the time—would be bad and the suggestion was shelved. It would really be throwing out the baby with the bathwater.

I remember speaking to Judy at the time the house was discussing the Canada Pension Plan. She said she was the mother of all pensions. I said I hoped that was one baby she had rocked to sleep, because it was conceived in haste and delivered in confusion. Her book continues:

That incident made me question the ruthlessness of Trudeau, although at the time I thought his suggestion only half meant. Subsequent events have already shown that his mind is still running to the prevention of leaks.

He does not like leaks.

I thoroughly approve. It will never be necessary for more than a threat to keep the cabinet's lid on and the ministers' mouths closed. Of course, there will be plenty of news, but it won't be premature. The government is supposed to make the news and the press report it; many of the press have come to believe it is their position to actually make the news themselves. Pundits talk and write about the public's "right to know," and by extension as the public's eyes and ears, of the press' right to know. If there is such a right, it must be a pretty limited one.

I do not know whether the Prime Minister, who holds the highest office in the land, was serious when he referred to the press, following his actions and experiences while attending the commonwealth conference as the "crummy" press. There were no doubt sources of information that the press found and followed. The Canadian people had the privilege, whether it is right or wrong, of reading about the conduct of the Prime Minister while at the commonwealth conference. People will draw their own inference, from the facts printed by the press, whether that conduct was of the kind we expect from a Canadian Prime Minister. That is not for me to decide.

Mr. Laniel: How come the press aren't here to listen?

Mr. Woolliams: That is a question I will leave with you. I am sure you can answer it. The press do not have to sit in the gallery. They can read the press-run of the proceedings in this house; they can read what I have said and write their story on that.

Mr. Guay (St. Boniface): Keep reading from the book; that is more interesting.

Mr. Baldwin: Mr. Speaker, I wonder whether the hon. member should not table the book, in view of the fact that he is reading from it.

Mr. Woolliams: I would agree to that suggestion, Mr. Speaker, were it not for my ancestors and the fact that the book cost me $8. Therefore I cannot see my way clear to

asking that it be tabled. My last point is this. All the bill does is guarantee to the press freedom to find sources of information about the government, parliament or individuals.

If, when Hitler rose to power, Germany had had a free press the people would have been informed about the Reichstag fire, which was blamed on the communists. Then, Germany would never have been a dictatorship and the black terror which was responsible for six million people being thrown into the furnaces would never have crept into that nation. It is through the media of newspapers, television and radio that we as citizens are able to maintain our freedom. All this bill seeks to do is to give to the press freedom to obtain information from whatever source. You must have a source for these things; you must have the well with the water in it. Sources of information will dry up if one has to come forward and say: I am the man—or woman—who gave that information.

I think the hon. member for Hamilton-Wentworth (Mr. Gibson) is very happy to be a source of information at certain times. That is only human. The human reaction of members of parliament is such that we like to read about our statement, about ourselves, about parliament and the government. We like to see our party portrayed in the best light. I am sure that if the press went to the hon. member and asked for information that would place him, his constituency and party in a better light, he would not want to blow out the candle. I would like to see this bill go to committee. I support it. I think other members who have the opportunity to speak will support it. I hope that when it comes back from committee it will obtain approval, because we *de facto* now have this right. The hon. member is asking only that the right be guaranteed to the press, because of statements made by the Prime Minister and perhaps others in public life.

As the hon. member for Calgary South (Mr. Mahoney) knows, Alberta at one time brought in a bill to control the news media. That provincial act was declared by the Supreme Court of Canada to be ultra vires of our constitution and civil rights. This is basically a very liberal bill. It is the kind of liberal, with a small "l", bill that would guarantee our freedom here and elsewhere throughout the nation.

[Mr. Woolliams.]

• (5:40 p.m.)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I endorse the remarks of the hon. member for Calgary North (Mr. Woolliams) and I approve wholeheartedly this legislation involving some basic matters.

To approve such legislation is simply to approve freedom because in this day and age a free press or the freedom of the press is synonymous with a free nation. The press having become above all a most important and even essential means to ensure a well functioning democracy, it follows that we must protect at all costs those who, by their actions or their role as journalists, promote true freedom. We can only rejoice that such a bill was introduced, which if passed will give well deserved protection to those dedicated people, as they sometimes sacrifice themselves for freedom. I will give an example. A couple of months ago, some articles published in the Montreal newspaper *La Presse*, were excerpts from Volume 3 of the Laurendeau-Dunton Commission report on bilingualism and biculturalism. If *La Presse* had not had access to this source of information, we may never have been informed of what was written in a certain chapter of that volume, and this at the public's expense, because if we compel those who obtained that information to divulge their source, they will never again have access to it.

Quite often, we realize that information originates almost exclusively from the press, and we, on this side of the house, have often complained that the press knew the facts ahead of us, even in cases involving parliamentary prerogatives.

If news sources are good only when one is in power, I cannot see why a distinction should be made in other circumstances, because since the reporter has to play an essential part in our society, he must enjoy full liberty of action.

As pointed out by the hon. member who spoke before me, it goes without saying that if a reporter, in order to get information, breaks the law of the country, then he runs the risk of being prosecuted, and he will have deserved it.

The question here is to protect him, by not compelling him to disclose his news sources.

To follow up the instance I have just given, I was saying that an editorial in the Montreal newspaper *La Presse* had even blamed the R.C.M.P. for checking up the

news sources of Miss or Mrs. Gagnon, one of its reporters. That editor of *La Presse* felt that a very base device had been used to try and discover her news sources.

I feel therefore that this bill, which ensures the protection of news sources, deserves the unqualified support of the house.

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, the hon. member for Timiskaming (Mr. Peters) has introduced this afternoon, Bill C-15 concerning a very important matter which can be connected with the main question of the privileges or the freedom of the press.

It is a matter which in history has given rise to interesting debates and even to several epoch making cases. It is a burning issue because thanks to the technical development of present media, news reach an ever increasing number of people.

However, I am sorry that the hon. member for Timiskaming and the hon. member for Calgary North (Mr. Woolliams) dealt so little with the principle of the bill which, I understand, does not attack the question of the freedom of the press in general, but simply aims at providing privilege of communication between a journalist and his news source or in respect of his source where the source is a document or other material, on the occasion of proceedings under the federal authority.

However, the hon. member took unfair advantage of it, thus transgressing the rules, to attack the Prime Minister (Mr. Trudeau). In fact, his reference to the London incident constitutes, in my opinion, a case where it can be said that there has been misuse of the freedom of the press in that the latter did not act exactly as it should have, regarding the privacy of people.

On the other hand, the hon. member for Calgary North also took that opportunity to speak of the freedom of the press and of what happened, for instance, in the countries behind the iron curtain or in Germany before the last World War, when the press was controlled.

I do not think it is intended in this bill to put any limitations on the freedom of the press which must remain independent and impartial. I would like to deal more specifically with the purpose of the bill which would entitle a journalist, when sued for defamatory libel, for instance, or for something else concerning perhaps the security of the country, the private life or the reputation of a citizen not to divulge his news source. And I think this is the matter the hon. member wished to put before the house this afternoon.

However, press privileges—what we call the freedom of the press—include of course the right for a reporter to gather, as he sees fit and practically without any limits, information he may broadcast thereafter, and this bill provides for a communication privilege between the journalist and his news source in any proceedings conducted before criminal or federal courts. In fact, if we consider the bill, we notice that it goes far enough, because the definition applies to, and I quote:

> —a criminal proceeding held before or under the authority of a court exercising judicial authority—

The bill goes on as follows:

> —an inquiry or investigation held or made under authority of a law of Canada or by order of Her Majesty before or under the authority of a court, tribunal, commission, board, power, authority, or a judicial, administrative or ministerial official, or any other proceeding or matter whatsoever coming within the legislative authority of the Parliament of Canada or within the prerogative of Her Majesty;—

When we look at the definition of "journalist" or "newspaper", we see that it includes not only the written news, but also radio, television, etc.

This is therefore a bill that goes quite far, but during a trial for libel, for instance, where the private rights of a citizen may be involved, should a journalist who has free scope to publish information obtained by him, be considered as a preferred witness, under no obligation to disclose his news source, when he appears before the court? I think that an entirely new situation would be created.

As the hon. member must know, the courts have always in the past, except in cases where national security was threatened, compelled newspaper men to disclose their news sources. The right to conceal news sources has never been considered a privilege comparable, for example, with that of a lawyer and his client, as pointed out by the hon. member for Calgary North who wanted to put the newspaper man on an equal footing with the lawyer.

Now, some distinctions can surely be made between the two and I ask the following question: Does the newspaper men have more rights than the ordinary citizens before the law or should they enjoy an exceptional status, as for example, the one existing

between husband and wife or that enjoyed by the counsel for the defence in a criminal court?

In my opinion, the scope of the freedom of the press can be restricted by the exercise of other liberties, by the basic rights of other citizens, in order to assure a better administration of justice.

I am thinking particularly of the rights of the ordinary citizens when his reputation is involved or in order that his private life be respected. In the present case, a newspaper man would have the privilege of not being compelled to disclose in the proceedings listed in the bill his source of information for news and reports on events of public interest which are published or broadcast.

As a result of the proposed legislation, a reporter could refuse to answer a question, or to produce a document which would disclose his news source. The right to invoke this privilege would be given to the reporter alone, and not to his source of information, and it seems that it would be impossible to ask why he refuses to testify.

In law, apart from some exceptions I have mentioned earlier and which are well specified in statutes, the general rule is that any person can be a competent witness and can be forced to reveal the names of those who gave him the information according to which the article was written.

● (5:50 p.m.)

The Criminal Code and the Evidence Act grant this privilege to certain people such as the accused, for instance, who is not obliged to testify at his own trial or at the trial of his wife, subject to some exceptions when the accused could get protection should he incriminate himself by his answer. He can then ask for the protection of the court, so that his answer could not be used as evidence in future procedures; however, he cannot refuse to answer. The privilege is also extended to the lawyer and his client—and it is understandable—since the obligation for any able person to testify during judicial procedures on relevant facts known to him, is justified by the fact that it is the best way to get full justice and that it gives the courts the possibility to judge with complete knowledge of the facts. That is why the administration of justice imposes this obligation.

As a matter of fact, I think that the authors have established rules which are considered essential towards recognizing that privilege of not being compelled to disclose to the court certain information, and the four following rules are set forth:

(1) The communication must proceed from the assurance that it will not be disclosed.

(2) That assurance must be essential to the complete and satisfactory maintenance of relations between the parties.

(3) The relation must be one which the community is interested to protect.

(4) The adverse effect that the disclosure of the communication could have on the relation must be greater than the benefits which could ensue from the disclosure of the said communication in case of conflict.

These are the rules taught by the authors in order that the fact of not disclosing certain information may constitute a privilege before the court. When one thinks particularly of the relations which could exist between say a lawyer and his client, one sees that in such a case the rules are obviously adhered to. If, for example, a lawyer were to testify in a trial, that would more or less amount to saying that the client would be compelled indirectly to testify against himself. The same principles are involved in the case of the relations between husband and wife.

However, if we look closely at those rules, we realize that they do not apply at all in the case of a journalist who appears as a witness and who can be compelled to disclose his sources of information; he cannot benefit from those rules which are based on past experience.

The hon. member alluded to the case of Mr. Blair Fraser—whom several members have known and who unfortunately is dead—who had been involved in a lawsuit that created a great stir. He was sued by the Attorney General of British Columbia who had brought an action for damage against that journalist and the magazine who had published such information.

However, the precedents which were mentioned but that unfortunately I have not had the time to study thoroughly, refer particularly to the British jurisprudence. The Court's decision was that the journalist would have to reply to the questions. This judgment was based on a very elaborate jurisprudence. He appealed from the judgment of the Appeal Court of British Columbia which had upheld the judgment of the court of first instance, and the authorization to appeal to the Supreme Court was rejected. This case is referred to in the 4th volume of the *Dominion Law Reports* for 1954. Here is what one of the

Justices said; and I am quoting from page 334:

> In the present case, in my opinion, the refusal of the defender to divulge the source of his information is sheer stubbornness. He has persisted for more than one year in his refusal to obey the orders of this country's courts. Now, he is more or less telling us that, after careful consideration, he believes his moral obligations towards the people who gave him the information are more important that his duty to obey the judgment of the Court.
>
> Under these circumstances—
>
> —as pointed out by another Justice—
>
> —he must realize that his refusal brings about as a consequence the result achieved by the rules.

Well, it was decided that in a civil proceeding resulting from a libellous information published in a newspaper, the newsman had to answer questions. In this case, English jurisprudence was studied, where perhaps it seems to grant the privilege that the hon. member wishes to grant to the newspapers, but which does not extend to newsmen. In Canada, no decision was taken on this matter, but it was mentioned that the newspaperman in this case had to reveal his source of information.

Mr. Speaker, the bill presented by the hon. member for Timiskaming (Mr. Peters) may, at first sight, seem to be of some advantage. But if we consider it in relation to its consequences, especially for certain persons who might be involved by newspapersmen's charges—and we know that newsmen sometimes go a bit too far—I submit that the freedom of the press must also be limited by other freedoms: that of individuals, in particular, and I am unable to support the principle of the bill because it goes a little too far.

[*English*]

Mr. Peters: Could I ask a question? In what way does this bill limit the right of an individual to take action against a newspaper reporter? It is not the purpose of the bill to interfere with the libel provisions of our law, but only to provide protection for persons who supply information.

[*Translation*]

Mr. Forest: I know, Mr. Speaker, that this bill would not prevent a person from bringing an action for libel against a journalist. This certainly may have an effect on the outcome of the trial. As a matter of fact, it is possible that the information cannot be obtained from the journalist who can plead his good faith.

To sum up, this bill goes a little too far and I could not endorse it. I think that, in view of the circumstances, it should not get the support of hon. members.

[*English*]

Mr. P. M. Mahoney (Calgary South): It is indeed regrettable that a bill which deals with matters of principle as serious as this should have been introduced in a way which really avoided the principles involved and relied upon what can best be described, I think, as a distasteful attack on the Prime Minister (Mr. Trudeau). The sympathy which one might have felt for the principle of this measure is bound to be diluted to some extent as a result of the manner in which it was introduced.

Some hon. Members: Hear, hear.

Mr. Mahoney: Nevertheless, the principle is important today. We hear, with great sympathy, hon. members in that corner of the house asking when it is the government's intention to bring in a bill dealing with electronic eavesdropping and other invasions of privacy. This, Mr. Speaker, is the other side of the coin at which we must look. We are living in days when we must be very conscious of personal rights and privileges. It is certainly a time in which we cannot dispose of a bill of this kind without a very deep discussion on principle.

• (6:00 p.m.)

The hon. member for Timiskaming (Mr. Peters) inquired of the parliamentary secretary how this bill could possibly affect the laws of libel. This may be a trivial incident but nevertheless the area of college football is rather important to some people. It was less than two years ago that the University of Georgia athletics director, Wally Butts, was accused in a *Saturday Evening Post* article of selling or giving away his team's football strategy to Alabama coach "Bear" Bryant. Butts sued the *Saturday Evening Post,* and apparently the courts in the United States did not regard the matter as trivial because judgment for libel was entered at $460,000, and was upheld by the Supreme Court of the United States.

The basis of the judgment was that the *Saturday Evening Post* had relied on sources on which they had no business to rely. The judgment would not have been possible had not the source been disclosed and available. The *Post* could have relied on the usual press exemptions in libel cases, apologized and that would have been that. But the fact was that the Supreme Court of the United States

determined in the case that the *Saturday Evening Post* was anxious to change its image by introducing a policy of sophisticated muck-raking and pressure to produce a successful exposé was on them.

In selling their papers they went beyond the limit and used a source who at that time was on probation for passing bad cheques. They knew about this and did not check the sources to which he attributed the story. In general they relied on evidence on which they had no business to rely. As I say, the libel action was successful. So, sources are relevant in freedom of the press.

Mr. Deputy Speaker: Order. The hour appointed for consideration of private members' business having expired, I do now leave the chair to resume same at eight o'clock p.m.

At six o'clock the house took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT PROVIDING EMERGENCY PAYMENTS TO MEET DRYING COSTS

The house resumed consideration of the motion of the Minister of Industry, Trade and Commerce (Mr. Pepin) for the second reading and reference to a Committee of the Whole of Bill C-162, to amend the Prairie Grain Advance Payments Act.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, at five o'clock I was saying that there had been repeated remarks on the opposition as well as on the government side and that some government members, taking their role seriously or assuming their responsibilities had sometimes blamed the government for not acting in time. However, to stir up the sense of responsibility of the Minister of Agriculture in that field we had to have the emergency debate about a week ago, that somewhat clarified the question.

The object of Bill C-162 is to empower the government to grant advance payments to grain producers to enable them to better finance the drying of damp grain and provide storage otherwise than in an elevator.

[Mr. Mahoney.]

I suggest that this legislation could have been more generous. However, it could not have changed the weather in any way. The government members say: Well, everything depends upon the weather; there was too much rain in the fall and this winter, the weather is too cold. Indeed, such things are not controlled by the government but from above. The Progressive Conservative members said to the government: You have failed to act in time. You waited until the cold weather had set in. They blame one another. The Liberal members say to the Conservative members: When you were in power, things were not much better, for you also had problems, such as grain drying. What did you do then?

Mr. Speaker, we must forget the past. There is surely no question of drying the grain that was used up as it does not exist any more. Let us speak instead of the 1968 crop for that is the grain that has to be dried.

I believe the problem facing the western farmers is a financial problem. They could not get the equipment needed to dry their grain.

That is the reason why they asked the government to grant them cash in advance to enable them to afford the costs of drying the grain and of putting it into the elevators so that the ships would not leave Vancouver half empty. It might have then been possible for us, in the east, to have grain in fair condition at the proper time since there are, allegedly, several empty box cars waiting for this grain.

So we have a problem within the country. On the one hand, the western producers are complaining and, on the other hand, we, in the east are waiting for grain in fair condition that would enable us to produce milk, butter, cheese, meat, etc., so as to meet the needs of our people while helping those who are starving in the world.

This afternoon, we were once more reminded in the house of the so-called starving peoples so, they do need our contribution.

I remember that in 1940-45 everybody was talking about the war effort. We had to do our bit to save Christendom, to save civilization, to save our markets in Europe. Today we are asked to bring our contribution, not for war but for peace, in order to give assistance, in a spirit of mercy, to the peoples who need it most urgently and which we could help with our wealth and with that wheat which is such a problem for us when it comes to distributing it.

Bill C-162 may not be very generous, still it is a step forward. Producers will be able to benefit from it.

Mr. Speaker, the passing of this bill must not be delayed, but we must not either be accused of dawdling and punishing the western farmers while making interminable speeches in the house. It does not take two hours to speak one's mind and say what one thinks about a subject. It is a matter of coming out with it, of speaking frankly, and as a great general would say: Let us get to the bottom of this and find the real cause of the situation. For my part, as an eastern consumer of cereal, as a dairy producer, as the member for a rural riding, as spokesman for the people of eastern Canada, I can say that our party is in favour of this bill being passed as soon as possible. We agree that once it is passed three months should not he spent in drawing up regulations while the producers wait again. We should get into the habit of reaching our decisions and applying our laws more rapidly, specially when the western producers are waiting.

Mr. Speaker, that is why I am in favour of this bill and why, when it is put to the vote, I shall vote for it gladly.

• (8:10 p.m.)

[*English*]

Mr. Don Mazankowski (Vegreville): In rising to speak in support of Bill C-162, Mr. Speaker, I feel the government deserves a severe scolding for their gross lack of inaction by not showing leadership in tackling the grave accumulation of tough and damp grain which many members on this side of the house have drawn to the attention of the government constantly. The government has brought in at this late date a measure which can only be described as a confession of incompetence.

It would be unrealistic to pretend the measure is not welcome. Under the present situation it is a necessary measure. I believe it would not be necessary had it not been for the situation created by the government. This situation could have been avoided, or at least relieved to some degree. This government continues to bring forward legislation aimed at bailing itself out of a mess created by its own policies.

The government put an 11 per cent sales tax on housing. We now have a minister of the government stating in a public report that this tax should be removed. Then, the Minister of Finance (Mr. Benson) says, "Over my dead body".

The government entered into an agreement with France. We now have the Prime Minister (Mr. Trudeau) and the Secretary of State for External Affairs (Mr. Sharp) becoming annoyed because the province of Quebec takes action under the same agreement. These are only some of the complications which this government has created.

The grain situation is the worse mess this government has caused up to the present time. Last November a motion to adjourn the house was moved by the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam), seconded by the hon. member for Lisgar (Mr. Muir) to debate the question of damp grain. Nothing was done. This problem was raised during the discussion of the estimates on agriculture, at which time the Minister of Agriculture (Mr. Olson) accused the opposition of being publicity seekers and attempting to damage markets. What has the Minister of Agriculture done to procure and establish our markets? He has readily attacked the opposition on every occasion we brought the matter to his attention. His only solution was that he had faith in the western farmer's ability to dry the grain, despite the serious difficulties being encountered.

It is with a feeling of sorrow and desperation that I refer to the incredible mishandling by the government of the current year's grain shipments. There was the grain handlers' strike this past summer which wasted six weeks of valuable time. The government did absolutely nothing and grain deterioriated in the field and the grain piles on the prairies grew higher. The strike was followed by inaction on the part of the government with regard to the problem of drying grain. There were no incentives, no encouragement or no co-operation in the handling of driers and a 3 bushel quota of damp grain in effect plugged every available storage facility without consideration being given to the drying capacity available.

The Japanese are now demanding indemnities because of damp and second quality grain. They are also demanding compensation for ships tied up for days in Vancouver harbour. This is because the government failed to do anything about the moving of box cars. A Conservative Member of Parliament raised the matter in the house and boxcars were then brought from the United States and rushed to Vancouver. What good were they

then? We now have the Japanese going to Australia for a large wheat contract which should belong to Canada. Many of my own neighbours have had their incomes cut in half because of the government's refusal to take any action in this serious situation. While the farmer's income is cut, his expenses continue to rise. The farmer is getting it at both ends.

It is a tragedy and a damaging blow to Canada's economy that a large part of an entire year's grain crops and sales have been sacrificed because of bureaucratic bungling. Because of failure to organize transportation we not only face the loss of markets, but we have lost markets. The government refused to move to organize rail facilities to transport wheat to Vancouver. They failed to get the right grade to the right place at the right time. While millions of dollars in wheat went begging in Canada, box cars which should have been available were out of the country picking up a few bucks for the railways. If the railways are going to act in this manner, then they must be brought to task by the government, and that means a government capable of doing the job. The present government is more concerned with questions of manners and morals than the livelihood of the western farmer. Little wonder farmers all across western Canada are sick at heart at the way the situation is being handled.

Many farm leaders have expressed concern with regard to difficulties the farmers will experience in 1969, such as the rising cost of operation, loss of markets and loss of reasonable return due to deterioration of their grain caused by climatic conditions. Mr. Speaker, 1969 is here and, believe me, it is difficult on the prairies. Business is lagging, unemployment is rising, automobile and machinery sales are down, accounts receivable are running at an all-time high and becoming stagnant. Above all an ever-growing lack of confidence is being experienced in the future of farming and business enterprise. What about the future? According to Japanese reports, 117,000 tons of Manitoba No. 2 wheat contracted for December and January have not arrived in Tokyo. Can any country run its business that way? This government has allowed the Wheat Board to float by itself and to carry the whole load. The government has not helped or supported the board in any way. It was too concerned with its abortion bill. Surely, it is time we got back to the real

things of life. Canada cannot tolerate disruptive mismanagement on the part of the federal government. Certainly the provincial governments will not tolerate this for any length of time.

• (8:20 p.m.)

Seven Japanese ships, among the 30 odd ships waiting in the Port of Vancouver, got sick of waiting. The Japanese, as we know, are no fools. They are the smartest businessmen in the Orient. They have taken a great interest in Canada, and have invested a lot of money here. The Japanese are prepared to buy our wheat, but they insist on the same high standards which they follow in their own affairs and if we do not deliver they will shop elsewhere, as they are now doing in Australia.

There has never been a time when the affairs of the western farmer have been more poorly managed by the government. The government simply let a whole year's grain crop drift away and we wonder if this is going to keep on because, if it does, then the western farmer will be in the same position as the eastern farmer. The policy announced by the government for the eastern farmer is to take him off the farm and put him in the welfare office in the city. The western farmer does not want that and will fight for his right to enjoy the prosperity he has created by his own sweat.

We have witnessed a whole year's crop flushed down the drain by Ottawa mismanagement. Here it is February and the government has finally managed to persuade the Minister of Industry, Trade and Commerce (Mr. Pepin) to go to Vancouver. It is too late to do much this year. We have been witnessing events which have sadly shaken the faith of farmers all across Canada.

Certainly all hon. members welcome the fact that the minister is now concerned. If the efforts of the opposition have done nothing more, I believe they have enlightened the minister on the fact that he has a massive job to do. It is encouraging to see that, for the first time, he has really taken the bull by the horns.

The situation in my own area, that is the federal constituency of Vegreville, is that we do have orders. As a matter of fact, we have many orders. We have some box cars loaded but they are stacked along the sidings. I have here a letter from a constituent of mine who states that in his area they have had only 14 box cars since August 1, but have had none since November 1.

Many farmers have made deliveries only on the unit quota. The elevators are filled, mostly with damp grain, and there is no movement of grain whatsoever. Believe me, Mr. Speaker, you cannot operate a farm on the strength of a cash advance and a unit quota delivery. The results of this situation are a critical shortage of cash, stagnation of business resulting in the future outlook for our economy being disgusting, and a complete demoralization of all avenues of business. I am sure that the Prime Minister (Mr. Trudeau), with all his good intention of creating a just society, must be equally disturbed at the whole mess of the grain markets, handling of grain, and in particular the lack of foresight in solving the damp and tough grain situation. I hope that he, too, takes the bull by the horns and gets some action. The passage of this bill may be a start.

Meanwhile the Minister of Industry, Trade and Commerce continues to smile. He says he is serious when he is smiling but, Mr. Speaker, the farmers in my area are not smiling. To them, Liberal years are lean years. They will continue to be lean years until the government can organize quickly and provide encouragement and co-operation in solving this desperate situation. We need leadership and we need action. We need action with responsibility and sincerity.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, when I was considering what I would say this evening I could not help but think that the Minister without Portfolio (Mr. Lang) from Saskatoon must have gone out to the country and contacted some of the farmers in his area. I could not help but wonder if the provision in this legislation resulted from the recommendation that farmers made to him to try to solve the damp grain problem. If this is the solution that was offered him, then all I can say is that it is quite different from the solutions put forward in the letters I have been receiving from farmers.

Admittedly, last fall we had an awkward problem. In my area four inches of rain at harvest time gave us too much moisture. In fact, one farmer told me that in his area there were 14 inches of rain. I suggest that if a similar type of thing happened in other parts of the country it would be regarded as a national disaster. But the government has not looked upon this situation as such and has dealt with it on a much more casual basis.

I suggest that a partial subsidy rather than a straight loan would have been of more benefit to the farming industry. However, I was glad to note, according to last night's newspapers, that the Minister of Industry, Trade and Commerce (Mr. Pepin) had admitted that maybe he could have done more as minister. I am glad to see he is conscious of the fact that he might have made a mistake.

I wish to compliment the Minister without Portfolio from Saskatoon (Mr. Lang) on his promotion announced this afternoon. I hope and trust that following his promotion he will not forget the problems of the prairie farmers and of the Wheat Board.

As I have mentioned, we have had an awkward problem with regard to damp grain. We have had another awkward problem in the fact that we have a new Minister of Agriculture (Mr. Olson), a new Minister of Industry, Trade and Commerce and a New Minister without Portfolio (Mr. Lang), all involved in trying to move grain. Perhaps the fact they are all new ministers makes me think of the Three Musketeers but, whereas the Three Musketeers went out joyously to battle, these three hon. gentlemen wring their hands and cry in their root beer.

I would like to see these three ministers accept the challenge involved in this situation. Admittedly, they have had to learn something new, just as I, a new member of parliament, had to learn my job. In view of their newness, I question more in sorrow than in anger the mistakes they have made. However, because of their casual approach to this problem; because of the fact that they ignored Opposition suggestions earlier that this problem was raising its head; because of the very nonchalant attitude of the Prime Minister with regard to selling wheat, I find myself getting quite angry. I have had a lot of letters these last few days from angry farmers. If the Minister of Agriculture and the Minister without Portfolio (Mr. Lang) read some of the letters I have received they would know what farmers are thinking. In this connection I would like to quote the following from the front page of the Maidstone *Mirror* of January 30:

> The primary problem is that the C.N.R. has not made sufficient effort to make cars available for loading grain.

In that particular area, the C.N.R. has not done its job. I might add that other letters I have received from farmers cite other causes for the problem.

I think one of the problems has been the lack of leadership and responsibility on the government. If the government were as good at organization and at providing foresight as

it is at making excuses, more would be done. I think they should admit that the three bushel quota for damp grain initially announced by the Wheat Board was a mistake. People say that hindsight is better than foresight. After that announcement, many farmers thought the Wheat Board had made arrangements to handle that much damp grain and that they would all be entitled to sell on the three bushel quota.

The other day the Minister without Portfolio (Mr. Lang) spoke about people panicking. I am a farmer, Mr. Speaker. I have delivered only the one bushel quota, and this is now the month of February. As a farmer, whether I panic or not, I certainly feel a little uneasy about the situation and I do not like anybody suggesting that this is something we should take lightly. We want some solutions.

Speaking as a farmer, I would like to talk about another item. For a time back in the 1950's we had a grain congestion problem, and we have had the same problem now for some time in the 1960's. I have seen the grain companies, the railway companies and the Wheat Board all passing the buck from one to the other when the moving of the grain is mentioned.

I am not suggesting that this is done intentionally, but I never saw such a run around in my life. I was a wheat pool delegate for several years. I have been active in politics at the local level for many years and am now a member of parliament, but I have never seen such a situation before. The hon. member for Assiniboia (Mr. Douglas) suggests we have a transport controller, one person, to unify these three outfits that are involved in moving grain. I suggest that something certainly is wrong, because mistakes can be made too easily. As a farmer myself, I would suggest that the government listen to the hon. member for Assiniboia in this regard. He has had some experience.

• (8:30 p.m.)

Normally in the farming industry when grain sales are moving, when a farmer has cash and a promise of something happening next year, he arranges to put in his fertilizer in the fall. I normally put in quite a few tons, and I consider twenty tons to be quite a bit. But this year I have not put in a bag of fertilizer and do not know whether or not I will be using it. I am sure the Minister of Agriculture is aware of what constitutes efficient farming, and realizes the importance of keeping up the production per unit. But why should one have input on a farm when he does not have any output? This government does not seem to be concerned about this problem.

I would suggest that government members from Edmonton and Calgary, where there are fertilizer factories, see how happy these people are. I would suggest also that the government members from Hamilton, Toronto, Brantford, Windsor, or wherever the parts for farm machinery are manufactured find out whether the people there are happy about what is happening in western Canada. In speaking to the implement dealers, it became obvious to me that they were very uncomfortable in respect of the situation. Yet, the minister from Saskatoon says that we should not get panicky. The government has a responsibility here. I suggest that everything is integrated and when there is a problem in western Canada there is also a problem about which members in eastern Canada should be concerned.

I should like to mention one other thing before I sit down. I am a little concerned about the amused reaction of backbenchers, not all of them but some of them on the government side of the house, when legislation is introduced which in effect says that the farmers have no credit. However, they need credit so credit will be made available and then things will be all right by and by. I suggest that this is not the case, and is only postponing the solution. Perhaps government members are hoping for some miracle to save them. I suggest that this is not a realistic attitude. We should be more concerned with this problem, face up to it and realize that all we are doing is postponing the solution.

The fact that there is $120 million now out in cash advances is an indication that something is seriously wrong with the situation in western Canada. I ask the government and the government backbenchers to come up with some solution. The three musketeers I mentioned earlier may have to convince their colleagues something is wrong and that they must take some action.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, in rising to speak on Bill C-162 to amend the Prairie Grain Advance Payments Act I wish to say I support the principle of this legislation. I must hasten to say, however, that the benefits will be too little and too late. What are some of the reasons that western farmers find themselves in a financial situation which is almost

as bad as the hungry thirties? The predicament in which members of the western farming communities find themselves has developed from several causes. The first is the indifference and inaction of the present government toward the problems of western Canada. The hon. member for Vegreville (Mr. Mazankowski), who resumed his seat a few moments ago, outlined some of the action opposition members in this house have taken as far back as last September in an effort to draw to the attention of the government the situation which existed. Since we realized what could develop, we kept the government briefed on the situation.

As I mentioned in a previous address, I had the honour to represent our party in moving a motion to adjourn the house on November 28. This was followed by an emergency debate on December 5. All these things, coupled with a statement by Mr. McNamara, the Chief Commissioner of the Canadian Wheat Board, which received quite wide press coverage, alerted the government. So, they cannot say they did not know the problem existed. This is one area in which I think the government can be most severely criticized. Secondly, we must admit that the weather aggravated the situation; but as was pointed out by the hon. member for Crowfoot (Mr. Horner) this afternoon we have always had to contend with the weather. Weather is always a problem and will always continue to create emergencies in the agricultural industry. This is no excuse. The government must be prepared for such a situation.

I was very interested, and in fact quite surprised, I might say dismayed, when I listened to the Minister of Agriculture (Mr. Olson) a couple of weeks ago tell the house what the government had done to meet the serious emergency which faces us now. In listening to him, one would think that nobody else ever faced an emergency. I am not known to be partisan, but the minister brought up this topic concerning the wonderful record of his party in respect of what is being done now. I should like to refer to the year 1961 when the hon. minister was not sitting in this house. At that time we had the lowest water table in the history of western Canada. Some livestock farmers were faced with not having any opportunity to provide fodder or maintain even their basic herds. At this time farmers were queued up at the stockmarkets at western points disposing of even their basic herds. This sale of stock started to depress the market by one cent or two cents a pound. We all know what would have happened had action not been taken in this regard.

I was a member of the standing committee on agriculture at that time when the former member for Qu'Appelle, the then minister of Agriculture, called an emergency meeting of the committee. We held two meetings as a matter of fact, one on Friday and one on Monday. As a result of these emergency meetings we established a program. This is relevant, Mr. Speaker, in so far as this bill is concerned because I shall refer to action taken at that time which should have been taken under present conditions. We made an announcement that all the P.F.A. benefits, the full amount of $800, should be allocated to the farmers. We also co-operated with the ministers of agriculture in the three provinces. We put a ceiling price of $20 a ton on fodder so that there would not be a tendency for people to try to exploit one another.

• (8:40 p.m.)

At the same time we set a ceiling price of $15 a ton to the farmer and provided a subsidy of $5 a ton equally divided between the provincial government and the federal government; in other words, $2.50 each. We also re-enacted legislation to move haying machinery from one place to another in order to provide fodder wherever needed. The federal and provincial governments co-operated in this program to pay 50 per cent of the freight charge for moving the haying machinery or fodder into position.

We made arrangements with the community pasture managers to send pelleted feed from eastern Canada to provide sustenance for our livestock in these pastures. These are only a few of the emergency measures that were taken within just two days. In the result, when the program was announced publicly on television and radio and in the press it immediately quelled the fears of western farmers; they stopped their mad rush to market with cattle that were not properly finished, and within three days the market had regained its normal strength. In fact, the market went up 2½ cents a pound by Christmas. These results were achieved, and we saved the day by concerted action. I enumerate these points in order that the Minister of Agriculture may realize that he will not get away with the remarks he has made about this emergency, namely, that his government is the only one that has done anything in situations like this.

The next problem is the lapse of the international wheat agreement and the loss of grain sales, with resulting low incomes to farmers so they have been unable to finance the drying of a large quantity of wet grain. This has been one of our major problems. The catastrophe facing western Canada results in part from the lapsing of the international wheat agreement which has created serious financial difficulties in our part of the country.

As members from the west know, we are plagued with large surpluses of dry grain in storage. This has been caused by the inaction and indifference of the government at the Kennedy round of talks at Geneva two years ago. I was interested in listening to the comments of the hon. member for Assiniboia (Mr. Douglas), my neighbour in western Canada, who was trying to paint a bright picture out of the very dim one that we have out there. I do not blame him for that; it is his prerogative and, I suppose, his duty because he is a member of the party which forms the government.

He referred to the fact that last year we had a 25 per cent increase in sales over the previous year. But it must be remembered that we had last year only 30 per cent of the sales we had the year before. Therefore, an increase of 25 per cent last year is really an increase of only 7½ per cent, or a quarter of the 30 per cent. This is a very meagre increase and does not solve the problem at all. We have to go out and make wheat sales if we are to solve the basic problem underlying western agriculture.

I bring these facts to the attention of the house just to keep the record straight. We have heard a great deal about the Grains Council; the minister made an announcement about it on motions today. This is all well and good, and naturally I will support anything that will help to develop, maintain and continue the maintenance of sound agricultural policy in this country. But I am afraid this council will be only window dressing if it is to meet just once or twice a year and has on it people already involved in the grain trade. I cannot for the life of me, and I hope I am wrong, see what the council will achieve in these circumstances. The council should use its influence, I suggest, to immediately try to reconvene the International Grains Council so that the international wheat agreement can be put back on the rails. It is all well and good to say the agreement has been re-established, but we are not deriving any benefit from it; our competitors are selling their grain and we are sitting back with our bins full of grain.

My fourth point is that the order of the Wheat Board opening up a three-bushel quota on wet grain to terminals has created great difficulty in agriculture. It has choked up our drying facilities for three months and eliminated all possibility of moving dry grain into position to meet world market demands. The question is, who demanded that the Wheat Board take this action? Was it the Minister of Industry, Trade and Commerce (Mr. Pepin), or the Minister of Agriculture? Surely, it was not the Wheat Board alone that decided to make this order. I have known Mr. McNamara, the Chief Commissioner of the Wheat Board, for many years and have great difficulty believing that he would give this order. I am afraid he must have been pressured into it by the Minister of Industry, Trade and Commerce or somebody who was not familiar with the problem. In any event, Mr. McNamara made this unwise decision as a result of pressure from somebody. The result of the decision was that the pipe line was immediately choked up with wet grain. Anyone who knows the situation in western Canada realizes that we have about 25 million acres of wheat under cultivation. A three-bushel quota means 75 million bushels of wet grain immediately going into what we refer to as the market pipe line.

Mr. McNamara, in his statement of November 28, said that the total drying facilities at all the terminals, Vancouver, Fort William, Lethbridge, Edmonton, Moose Jaw and Saskatoon was only 12 million bushels per month. Is it reasonable for a man in Mr. McNamara's position to make a decision that would mean the moving of 75 million bushels of wet grain into terminals that could not dry a quarter of it? Somebody told the Wheat Board to make this decision, and I would like to find out who it was. I hate to think it was the Wheat Board alone that decided on this action; therefore I ask the question of the minister.

The fifth problem is the serious shortage of box cars and other rolling stock to move grain into market positions, and the resulting large number of grain ships sitting empty in the port of Vancouver. These ships are costing farmers hundreds of thousands of dollars in demurrage charges and a serious loss of grain markets because Canada has been unable to deliver this commodity.

The sixth basic problem, and a prime reason why agriculture is in serious trouble, is

that we have three ministers involved in the affairs of agriculture. It is a case of too many cooks spoiling the broth. I ask, Mr. Speaker, how can one man serve two masters? We have had this problem in the past and this is a case of history repeating itself. In 1958, under the government of the right hon. member for Prince Albert (Mr. Diefenbaker), whom I had the honour of serving at that time, we had 750 million bushels of grain piled up all over western Canada. When we raised this problem with the then minister of trade and commerce, he said it was the responsibility of the department of agriculture and his department did not have to worry about it. We went to the minister of agriculture, who said the minister of trade and commerce sold the produce of this country.

We did not fool around; we took the Wheat Board from the minister of trade and commerce and placed it under the control of the minister of agriculture, at that time the hon. member for Qu'Appelle, and started to get action. The Wheat Board, which is the body primarily responsible for moving our grain, should be under the jurisdiction of the minister of agriculture. This is where the Wheat Board should be, and it should stay there.

The seventh point, and I think one of the most serious matters in connection with this whole problem, is a psychological one. I have listed these points in numerical order, and because this is the seventh I do not mean it is the least important. As I have said, this is a psychological problem and when you get psychological problems in a depressed area, the over-all problem is aggravated. The problem is that farmers have become very discouraged with the situation because of the inaction of the government. Government action in this field has been too little and too late.

We find the Prime Minister of this country saying in Winnipeg at a $50 a plate dinner for the Liberal party that his government—he said this to the farmers in answer to a question—was not responsible for selling grain and it was up to the farmers to sell it. This was the last straw. After all, the Minister of Industry, Trade and Commerce and his department, or somebody in Ottawa, must take the initiative. The farmer cannot himself take it. The inaction of the government has resulted in the serious and difficult situation of western agriculture and is the basic cause of the trouble.

• (8:50 p.m.)

It is all right for me to criticize and enumerate the causes of this problem, but what should we do about it? I feel that the $600 that we are providing now is a start, but it is not enough. It represents about 10 cents a bushel for the farmer who may have grain to market, but the cost of drying his grain amounts to about 20 cents a bushel. An average farmer would have around 10 thousand bushels of grain, and at the cost of 20 cents a bushel he would have to spend about $2,000. The $600 might help, but it does not go far enough.

Some time ago I indicated that we should provide an outright grant in an emergency. At that time I suggested an acreage payment because in 1959 that is what we gave when millions of bushels of grain were under snow. We also did that in 1961 at the time of the emergency to which I referred a while ago. We also used acreage payments on another occasion, but this extra incentive of an outright grant or acreage payment was just enough to give farmers the encouragement they needed and to make them feel we were interested in helping them.

I also suggested on several occasions that we should provide a co-operative plan in conjunction with provincial ministers of agriculture to subsidize the movement of machinery. We did that back in the hungry thirties and also in 1961. We should have done it in this case so that drying equipment would be moved into place. The latest figures show that around 3,200 pieces of drying equipment exist in western Canada but that only 900 are being used. When one starts to question the reason behind that one finds that a large number of farmers have not the wherewithal to pay for transportation to get the dryers into the area where they should be used. As a result, we are losing much valuable time which could be used if equipment were put to work until the end of April, when we are really going to have a serious problem with grain starting to heat. At that time the warmer climatic conditions will cause the damp grain to heat, and everyone who understands agriculture will know to what I am referring.

We should be utilizing every piece of equipment immediately until the end of April to get over perhaps part of the emergency. But even then, we stand to lose millions of dollars worth of grain in western Canada. The hon. member for Crowfoot (Mr. Horner) mentioned this afternoon a figure of $36 million in Alberta. We must remember that even

though Alberta produces a large amount of grain, Saskatchewan produces more wheat than Alberta and Manitoba put together. I am not saying this to brag, but wheat happens to be our chief agricultural commodity. So if Alberta is faced with a loss of $36 million, we can say we are faced with a loss of $72 million, to use a compararable figure, and Manitoba faces a loss of $36 million. If you add up these figures, you can readily understand some of the difficulties and problems that we have, as well as the loss they may be incurred as a result of this emergency situation in western Canada.

So I am in favour of this legislation and, although it is too late and too little, there are many things that the Minister of Agriculture (Mr. Olson), the Minister of Industry, Trade and Commerce (Mr. Pepin), and the Minister Without Portfolio (Mr. Lang), together with their colleagues could do to show they are really interested in agriculture. I hope they will take further action in this respect.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I am sure we have no problem supporting amendments to Bill No. C-162. At the same time the remark made by the Minister Without Portfolio (Mr. Lang) that in some cases a shortage of ready cash and credit may be impeding the drying operations is the understatement of the year. This fact should have been realized way back last fall, and brought to the attention of the government. I was particularly interested in hearing the hon. member for Vegreville (Mr. Mazankowski) a short while ago refer to the fact that finally the government has taken the bull by the horns. I suggest the farmer is getting fed up by the amount of "bull by the horns" action that is taking place and he is prepared now to see some real action take place. We know about the belligerent attitude of the Minister of Agriculture (Mr. Olson) last fall when these questions were brought to his attention forcibly. Then, he refused to give us any answers. He told us: "There is no use crying yet, boys, you are not hurt", but the farmers and the minister knew then that the farmers were going to be hurt and that something had to be done.

I appreciate the fact that the Minister of Agriculture as well as the Minister Without Portfolio are familiar with agricultural problems. I agree that possibly they would have liked to do something if they could have convinced their colleagues of the necessity for action. I was very pleased to see the Minister of Industry, Trade and Commerce go out west. I am sure that when he comes back he will know the difference between a dry kernel of grain and a wet one. I am pleased he is going out there to see for himself exactly what is happening.

The measure before us suggests that we advance $600 per farmer for the drying of grain. At the same time, we know perfectly well that the grain is not being moved efficiently at a time when the markets overseas are crying out for No. 2 northern. A short while ago I returned from Moose Jaw and I know that as of Sunday morning there were more than three million bushels of No. 2 northern in that particular government elevator.

We also know that the drying facilities are working on a seven day 24 hour basis, which I say is excellent. I think the government is to be commended for allowing this facility to operate at its maximum capacity. However, with the number of cars available for loading purposes the elevator at Moose Jaw is now only working six days a week, 16 hours a day and holding up No. 2 northern. I would respectfully suggest that the minister in charge should immediately take action to speed up the movement of grain to allow the elevator to work on a seven day a week, 24 hours a day basis. I am sure that with the warm weather that has come to the western provinces the railways should be able to haul trains and supply cars. If they do not, they should answer for it. Elevators could then load on a 24 hour basis and fill the ships that are waiting. The wet grain that is being dried at that particular facility is no good, and the loading facilities for dry grain are not being used to their maximum capacity.

I will be very brief because I am sure that everyone has made it clear to the minister exactly where they stand with regard to this situation, as well as with regard to the cash advances proposed in Bill No. C-162. I would like to suggest that grain is Canada's main natural resource, and that it is being wasted. I sincerely suggest that the people in the eastern area of our country are not familiar with the situation which exists at present. For example, every time a question comes up with regard to agriculture, some hon. member sitting on that side suggests that if we keep going strenuously enough we can dry lots of grain. I am sure they are not sufficiently familiar with the grain drying operation to realize the amount of forced air it takes to dry the grain. We need a little more help. I think we must keep in mind that the $600

that was suggested as a maximum cash advance only takes into account the cost of drying damp grain, but the farmers themselves have to pay the cost of moving that grain to the dryer and back.

If you look at the cost of transportation in that area, you will realize that the movement of this grain costs the farmers a certain amount of money which they do not have at this time. I think the government should give serious attention to this fact. We also know that the $600 which will be given to the farmers to solve the emergency will be the cheapest $600 that the government has ever expended because they will certainly get it back. There have been cyclones and other disasters in every area of the country, and each time the government has been prepared to assist the people affected. There is no agricultural producer today who is asking for a handout. All he asks is fair play and fair treatment. He has to have that to retain the stability of the agricultural economy.

In closing, I should like to urge the minister in charge to pay serious attention to the loading of dry grain at the Moose Jaw terminal and at other terminals that are not working at maximum capacity.

• (9:00 p.m.)

The Acting Speaker (Mr. Béchard): The Minister without Portfolio. I must advise the house that if the minister speaks at this time he will close the debate.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, we have had a rather long discussion on the grain situation on the prairies while proceeding with the second reading of this bill. We have heard hon. members opposite repeating for the third or fourth time speeches they made earlier in the house. I am happy to see the prose is slightly improving as they go on, although the text does not change.

The debate was led off by the right hon. member for Prince Albert (Mr. Diefenbaker), and perhaps I should refer to a few of the things he said. He was kind enough to ask whether I was in the habit of saying in Saskatchewan what I have been saying here about the grain situation. I should like to reassure him about that. He referred to a speech I made in which I may not have mentioned the grain situation. But, of course, he overlooked one I made two days before at the Farm and Home Week in which the grain situation was the sole topic.

I have no trouble discussing this issue with the grain farmers in Saskatchewan because if the situation is put to them in the way I see it they end up agreeing with me. I find no difficulty in understanding that the mail received by the hon. member for Battleford-Kindersley (Mr. Thomson) should be rather different from the mail which I receive. He receives mail along the lines: don't you think it would be a good idea to give us something. While I get mail from people who say they are getting on with the job, and asking for suggestions and comments as to how they can best help themselves. This is the key to the present situation.

I might add that the right hon. member for Prince Albert—I refer to this to set the record straight—made reference to a couple of portfolios in connection with myself. This is typical of the right hon. gentleman's performance, one at which the country has often marvelled, when he takes a half truth and runs a long way with it. The difficulty in this instance is that the part of the truth involved was even less than usual and the distance run was far greater than normal.

There is no doubt at all in my mind that there is an extremely serious cash and credit position affecting agriculture on the prairies, that there is a serious cash shortage and a serious extension of credit. This has resulted in the difficult position in which farmers find themselves when tackling the work of drying grain. Hence, this legislation. I have no doubt, however, that the cash and credit situation is a symptom of a deeper problem. I should like to refer hon. members opposite again to something I have suggested to them once before, namely, that they are doing the cause of western agriculture no good at all by homing in and complaining and panicking about every issue from which they think they can get a political advantage. When I said "panicking" I did not mean the farmers. I was speaking about the panicking of hon. members opposite in a political way.

Some hon. Members: Hear, hear.

Some hon. Members: Shame.

Mr. Lang (Saskatoon-Humboldt): I should like to point out to hon. members opposite that in the process of doing this they are debasing the coinage of their argument throughout the rest of Canada about the fundamental problems of agriculture.

I am happy to say that several members opposite did get the message and did deal with the fundamental issues affecting the

serious economic position in which agriculture finds itself. This is a long term situation. It is a situation which has existed for years, though it has varied in intensity and seriousness, depending upon a number of things. A bumper crop can stave off the difficulty for a while but essentially the problem is an underlying one. Hon. members opposite attempt in a very petty way to assess blame from the vantage point of their hindsight two or three months later, but it does no good to the cause of agriculture.

Mr. Southam: Mr. Speaker, I wonder whether I could ask a question at this point?

Mr. Lang (Saskatoon-Humboldt): I would prefer that the hon. member put any question he might wish to ask at the conclusion of my remarks.

Mr. Baldwin: We shall have a lot of time in committee.

Mr. Southam: On a point of order, Mr. Speaker, the minister has made a statement criticizing members of Her Majesty's Loyal Opposition.

The Acting Speaker (Mr. Béchard): Order. That is not a point of order.

Mr. Lang (Saskatoon-Humboldt): Again, members of the opposition have used the 3-bushel quota in an attempt to assess blame in connection with that. I should like to draw their attention to the many months which went by after that quota had been brought into effect before they began to think they could use it for petty political advantage, though they welcomed it at the beginning.

Mr. McIntosh: On a point of order, Mr. Speaker.

An hon. Member: There is no point of order.

Mr. McIntosh: He is a stooge. The minister cannot impute motives to the opposition and you are allowing him to do so, Mr. Speaker.

An hon. Member: He is not.

Mr. McIntosh: Oh, sit down, stooge.

Mr. Lang (Saskatoon-Humboldt): This has been their tactics throughout. Now again, instead of simply welcoming the bill and allowing it to pass, they point to this fault and to that fault, with the benefit of two month's hindsight. The hon. member for Regina East (Mr. Burton) referred to the bill as a pretext and a farce. But I have no doubt that if he is in the house he will vote for it.

[Mr. Lang.]

I appeal to members of the opposition. It might be thought I should not be concerned about members of the opposition and the way in which they are debasing the coinage of their case, but I am concerned because they should be spokesmen for agriculture in western Canada.

Some hon. Members: Hear, hear.

Mr. Lang (Saskatoon-Humboldt): I should like to say that the progress which has been made in dealing with the damp grain situation is a real credit to many thousands of individuals. Some of the measures taken by the government have been an important help. I have in mind the accelerated depreciation allowance, the tariff remissions, and co-operation with provincial departments of agriculture in organizing individual enterprise. I should like to pay tribute to the provincial departments of agriculture in a general way, as well as to agricultural representatives and others in the provinces who have done an excellent job in bringing to the attention of individual farmers the best ways in which to dry grain.

I was in Saskatoon over the weekend with the Minister of Industry, Trade and Commerce (Mr. Pepin) and we were extremely impressed by the manner in which the grain drying equipment which is now there in great quantities is being readied for the great task ahead.

Mr. Horner: Being readied? Why is it not ready now?

Mr. Lang (Saskatoon-Humboldt): It is not in operation because of the weather conditions, but it is being readied, and in an efficient manner. It is being located in many instances near local elevators so that the drying can be done both swiftly and efficiently and so that the equipment at the local elevator itself may be used in the operation to reduce the drying cost. In most cases it was reported to me that the cost of drying is in this way being reduced to eight to ten cents a bushel, or something much less than had been spoken of previously with regard to many operations. In this fashion, individual farmers are capable of dealing with the damp grain situation.

There was a time when they were waiting, hoping that they could deliver more grain to the system for drying than was actually possible. On January 15, the transportation committee issued a release emphasizing that no farmer could expect any additional quota for

damp grain above the three bushels which had been opened by the Wheat Board earlier in the year. This was firm notice to the farmers that the drying job, which could be done at the local level with a significant degree of organization, had to be done; that it was important that the organization be commenced.

• (9:10 p.m.)

Upon receipt of this notice the grain drying equipment began to move into position and to be made ready for operation. I am not in any way suggesting that a serious problem has now disappeared. Neither am I suggesting in any way that those individuals who have performed well in regard to this operation can now let up. The situation will continue to demand an important and all-out effort.

Indeed, it has been discovered that this year's grain may not keep as well as damp grain has kept in past years; that the peculiar frost and damp conditions may mean that the grain will not keep as well in spring weather as it has kept in past times. I emphasize this because it is important that we get on with the job in the quickest possible time.

I should now like to come to the issue that has been raised by some of the members opposite as to whether there should have been a grant to those who have dried grain instead of a loan. Again, I suggest that this is the kind of unfortunate suggestion that is made by hon. members opposite which misleads people who are outside the agricultural community into thinking that the fundamental reason for there being an income problem on the farms is the damp grain situation that exists this year, or it is due to this problem or the other problem.

Although this is not the fundamental problem, people who themselves are not farmers may be misled into thinking it is because of the way the problem has been tackled. It would not have made sense to give an outright grant to those farmers with grain to dry when side by side there may have been a farmer whose crops had suffered frost damage or who for one reason or another had no crop at all. Although one can fall back on the basic economic argument about the need for assistance to agriculture, it should not be tied to the peculiar existence of damp grain this year. I urge that consideration very strenuously on all members of this house.

In the course of the debate, some points were raised which were relevant to the bill itself. Hon. members opposite asked some questions about its operation, and in one or two cases about its meaning. The hon. member for Regina-Lake Centre (Mr. Benjamin) indicated that he had an amendment which he thought it might be necessary to move and asked me whether I would comment upon the concern he felt. I think I can show him that the amendment he referred to is in fact not necessary and that the cash advances act, as amended, will be adequate to allow for every situation.

Under the act no farmer is in default until a number of circumstances occur. If he has been making his deliveries he is not in default until December 31. The hon. member thought that perhaps this date should be extended. I would point out to him that this is not necessary, because where a farmer wishes so to do he can merge any outstanding balance in this year's cash advance with the cash advance for which he may apply next year and thereby update any outstanding cash advance. This will be the general situation.

There may be a situation where a farmer has an outstanding cash advance but has no crop next year, and therefore cannot apply for a cash advance. As the hon. member pointed out, in those special cases there is discretion vested in the Wheat Board to extend or to waive the ordinary default provisions. In that way, there is adequate provision made for default situations.

If this measure passes in short order, I expect that the assistance available under the act will be extended to farmers early next week. Farmers will apply for assistance on forms supplied to the elevator companies by the Wheat Board, and the cash will be made available to the farmers at the local elevator.

The hon. member for Crowfoot (Mr. Horner) asked about the repayment situation. The answer to his question is that the additional amount borrowed under the emergency cash advance provision is added on at the end of the repayment schedule without changing the schedule. This is a question which farmers on the prairies have been asking and which I appreciate the hon. member raising so that the matter can be brought forcefully to their attention.

I think I have dealt with most of the points that I should deal with at this stage, and I urge hon. members to join with me in their spoken intention to see early passage of this measure. May I indicate to all members that I should like to ask for their co-operation and proceed to third reading tonight, as well as complete the next stage.

Prairie Grain Advance Payments Act

Motion agreed to, bill read the second time and, pursuant to standing order 54, the house went into committee thereon, Mr. Béchard in the chair.

The Deputy Chairman: Order. House in committee of the whole on Bill C-162, to amend the Prairie Grain Advance Payments Act.

On clause 1—*Emergency advance payments.*

Mr. Horner: Mr. Chairman, I am eager to have clause 1 carried and also to have the bill carried this evening; I assure you and the committee of that fact at the commencement of my remarks. I should like to refer to the minister as the assistant minister of trade and commerce, though that is not his proper title. His position is more like that of a parliamentary secretary except it is an honorary one in that he gets cabinet pay but does little more than that which is done by a parliamentary secretary. His leader does not feel him worthy to have the Wheat Board placed firmly within his jurisdiction. While he may well have been a lawyer and a dean of law, he has been a long time off the farm. His remarks tonight prove that fact beyond the shadow of a doubt. I must warn him that he has lost touch with the basic facts of farming. He said, in reviewing clause 1 of the bill, that the opposition is up to its old tactics and will just not allow the bill to pass. His attitude was that we should welcome the bill and allow it to pass. Why is it that the Liberals of this house are like the Liberals of old? They think they operate by divine right; that everything they bring in is right; that nothing they do should be criticized and that all their actions should be welcomed by those representing farm ridings. The minister's attitude was that we should bow down on one knee and say, "Thank you, Mr. Minister, for bringing in this bill. We now allow it to pass." That is what he said in essence. Why is it the Liberals think they have a divine right to be in power and that everything they do is all right.

• (9:20 p.m.)

An hon. Member: Give it to them, Jack.

Mr. Horner: I said this afternoon that the Liberals brought in this bill too late. They did not act early enough to take care of this problem.

Some hon. Members: Oh, oh.

[Mr. Lang.]

Mr. Horner: I said this afternoon the government should have been aware of the situation as early as October and met it with concrete steps. Instead, they bring in a bill which, in the minister's words, does nothing more than allow farmers $600 on top of the $6,000 they already owe. The minister said, "Don't worry; this may be carried on next year; we do not expect the farmers to pay the loan back next year because it may be carried on." I live and farm in what is commonly called a "next year" country. I am well aware of the effect this type of legislation will have on our population.

An hon. Member: Speak up there.

Some hon. Members: Oh, oh.

The Deputy Chairman: Order, please. The hon. member for Crowfoot has the floor.

Mr. Horner: Mr. Chairman, I would not have spoken unless the minister had made some glaring omissions—

Some hon. Members: Oh, oh.

Mr. Horner: The catcalls from the government benches show the government supporters are not concerned about this problem. They do not realize the extent of the problem facing western Canada.

Some hon. Members: Shame.

Mr. Horner: I am sure that rural voters of Saskatchewan and city voters of Calgary did not elect hon. members to come down here and laugh when agricultural problems touching western Canada are discussed. I am sure those constituents did not send their members here to do that.

Some hon. Members: Hear, hear.

Mr. Horner: If they want to hoot and laugh and make fun—

Some hon. Members: Oh, oh.

Mr. Horner: At least I speak my mind—

An hon. Member: Say something.

Mr. Horner: I am. I remember when the farmers of Ontario marched to Ottawa last fall. The tractors rolled up. Some of them were good looking tractors and some of them were poor looking tractors. Some had signs and some were without signs. I remember one tractor that had a sign saying, "Pierre doesn't care." I read that sign and thought how true

it was. I thought the "doesn't care" meant the Prime Minister didn't care.

Some hon. Members: Shame.

Mr. Horner: Tonight, we are having a lot of hoots and catcalls from the government benches. There are a whole lot more hon. members over there who, along with Pierre, do not care about our agricultural problems.

Some hon. Members: Hear, hear.

Mr. Horner: The minister has just come back from a trip to Saskatoon, where he was last week end, and was pleased to see a lot of the grain drying equipment now is being readied. I must emphasize the words, "is being readied". I was thunderstruck that a minister would have the gall to come into the house at this time and say, first, "You in the opposition should welcome this bill, support it and let it pass". Then, after returning from his trip last week to Saskatoon he adds "A lot of the grain drying equipment is being readied for the drying of grain." We heard that from the No. 1 minister involved in wheat marketing.

Some hon. Members: Shame.

Mr. Horner: If I had the Prime Minister's vocabulary I might say, why the hell hasn't the equipment been readied?

An hon. Members: Speak up.

Mr. Horner: Of course, I haven't the Prime Minister's vocabulary but I shall still use his words. Why has the equipment not been readied? Why was it not ready two months ago? Why is the equipment not drying grain now? Why is it not working at 100 per cent of capacity today? Why is it "to be readied" or "being made ready"?

The minister may say, "Oh, but I do not accept responsibility for the ineptitude of this minister or that minister. The Wheat Board is the responsibility of one minister and it is really he who is responsible for this. But the equipment is being readied for drying."

It is clear that when it comes to delegating responsibility, the government adopts a scattergun approach. Responsibility is given to one minister over there, another minister over here and still a third somewhere else. One minister is responsible for the grain council, and a second attendant from Saskatchewan is given another bit of responsibility. I do not yet know exactly what his responsibilities are. He is an honorary parliamentary secretary; that's just about what he is. He is a so called honorary parliamentary secretary receiving the pay of a cabinet minister and not earning it. If grain matters were the entire responsibility of one minister, we might know where to pin responsibility.

Some hon. Members: Hear, hear.

Mr. Horner: If the minister can go out to his own riding in the first week of February and then say that grain drying equipment is being readied or to be readied, I say to him he has not earned his honorary parliamentary secretary's pay, which is the same as a cabinet minister's. He said that we on this side had suggested that farmers should receive grants, his attitude being that it would be terrible to suggest grants when some farmers have already dried their grain and others harvested their grain dry. We on this side have suggested that grants should be made available in order to permit grain dryers to be moved to where the damp grain is. Has the government done anything about this? It has not.

We suggested that permits be granted for the movement of damp grain across the U.S. border to drying facilities. The reaction of the Minister of Agriculture was, "That is very interesting—a novel suggestion. Why have we not thought of that before. We will give it consideration." We on this side of the house suggested the removal of tariffs on commercial dryers coming into Canada, a minor item. On farm dryers there was no tariff, because the government had acted on one of our suggestions. I suggested to the Minister of Agriculture that the tariff on steel silage bins which can store damp grain or hay be removed; he has not done that, and that is a minor matter.

An hon. Member: Shout louder.

Mr. Horner: Words of wisdom are coming from government backbenchers. We in the opposition are always pleased when government backbenchers speak, because they rarely have the chance to do so. I have always believed in free speech and I always encourage government backbenchers to take the opportunity to speak. I welcome interruptions from government backbenchers, because only when interrupting are they allowed to speak. They can interrupt me all they like.

An hon. Member: Speak up.

Mr. Horner: I am sorry government backbenchers suffer stiff hands to close their mouths, because the cabinet and the Prime Minister are doing just that in keeping them silent.

Some hon. Members: Shame.

An hon. Member: You are a sick man.

Mr. Horner: A good many catcalls are coming from the government side. I have just listed four steps which ought to have been taken. The government has only acted on one of them. Hon. members of the opposition have suggested, and we suggest once again, the setting up of a transport controller to control the movement of grain at Vancouver. Although the government has weighed the pros and cons of the issue, it has not acted. When the Pearson government took office some years ago there were 60 days of decision. This government is prepared to have four years of indecision.

• (9:30 p.m.)

Some hon. Members: Hear, hear.

Mr. Horner: The government says they are reviewing the grain handling problem. I say they are reviewing so much they cannot review the grain program. They have handed to a grain council the task of reviewing the marketing, research, production and transportation of grain. We have never been informed who is paying for this review. Will it be the farmer or the government? That question has not yet been answered.

An hon. Member: They know the answer.

Mr. Horner: I am not condemning this bill. As the minister has suggested, if we don't like it then we don't vote for it. This bill, we admit, is a step in the right direction but we state categorically that it is far too late.

An hon. Member: Too little, too late.

Mr. Horner: The minister is proud because of the fact he went to Saskatoon to review the grain handling situation. I ask the Minister of Agriculture (Mr. Olson), who is from the province of Alberta, and is fairly knowledgable in some phases of agriculture—

Some hon. Members: Hear, hear.

Mr. Horner: —is he concerned about the forecast by the Alberta Department of Agriculture that Alberta farmers may lose $36 million if the grain is not dried before spring? There are approximately 76,000 farmers in that province. One can see that $36 million divided amongst 76,000 farmers amounts to a sizeable loss of money per farmer.

The Minister of Finance (Mr. Benson) sits smug in his seat. Some hon. members call him Scrooge. He really doesn't care because he knows eventually he will get it all anyway.

Mr. Benson: That is not true, Mr. Speaker.

Mr. Horner: The farmers do not receive too much. In any case, if they did he knows he will get it all when the farmer dies. I would like the Minister of Finance and the Minister of Agriculture to make a study of the age of Canadian farmers. How gleaming and smiling the Minister of Finance is when I suggest the farmer's age. He knows how quick he will own the land, and then he will be able to say to the Prime Minister, "Now we own the land, we have to sell the wheat. The farmers are working for us". That is the attitude he has adopted.

The Chairman: Order, please. I would ask the hon. member to confine his remarks to Bill C-162.

Mr. Horner: I apologize, Mr. Chairman.

The Chairman: I also ask the hon. members of the committee to bear in mind the hon. member's time is limited and he should be allowed time to make his remarks.

Mr. Horner: I apologize for straying from Bill C-162, Mr. Chairman, but if you could only understand the concern of western farmers with regard to the estate tax,—

The Chairman: Order, order.

Mr. Horner: —the number of letters which I and other members receive concerning estate taxes—

The Chairman: Order, order.

Mr. Horner: When I see the gleaming look in the eyes of the Minister of Finance, I cannot help being diverted.

Mr. Benson: I rise on a point of privilege, Mr. Chairman. I would simply like to say to my hon. friend that if I am gleaming over here it is only because of my friendship for him.

Mr. Horner: I appreciate the minister's remarks. I have found him to be a courteous person with whom to discuss matters but a

difficult person to convert or change his opinion. There is a question between the two of us. The minister says the special burden on the farmer is not undue. Any lawyer will realize these terms are debatable and argumentative. I am not a lawyer but I would like to defend the fact that the estate tax is a special burden on the farmers.

May I return to Bill C-162? I have suggested five specific things the government should do. They have done one. I should now like to make the sixth suggestion. They should have consulted with the municipalities and offered a bonus for moving the large commercially operated grain driers to the damp grain areas. The government could have facilitated the movement of grain driers, even the ones manufactured in my constituency. Last fall they could have paid a bonus to anyone who purchased a grain drier. The Minister of Agriculture has suggested the opposition never offer constructive suggestions. I now give a seventh suggestion. The government could have paid a subsidy of $50 or $100 to a farmer purchasing a grain drier. The government made no such suggestion because they were not concerned. They threw the problem back in the lap of the farmer. The Cabinet told Mr. McNamara, the head of the Wheat Board, to advise the farmers to dry the grain themselves. The farmers will have to dry 800 million bushels.

We lost grain sales, we lost ships. One ship returned to Germany last week. Another went to Australia to pick up grain and we lost the sale of 500 million bushels to that country. Who is going to pay the demurrage charges on the ships from Japan which will amount to $32,000? The farmers of western Canada will have to pay that unless the government is prepared to pay it. We do not necessarily object to the passage of this bill. The point I am making is that it does not go far enough. The minister says the government is doing a great job, and therefore we should allow the bill to pass. We cannot do this if the minister feels this is the final answer to the whole grain drying problem. I say it is not the only answer to the problems of western Canada.

I have listed this evening seven definite steps which could be taken. The government has taken only one, and that was to remove the tariff on commercial grain driers. There have been less than 100 driers enter Canada since the removal of that tariff which amounts to practically nothing. I say to the minister who is piloting this bill through the House of Commons, if you want to earn your pay then get acquainted with the problem and be determined to convince your colleagues of the seriousness of the problem. It is not good enough to sit with a bunch of trained seals behind you patting you on the back. These pats on the back are not earned. The group is well trained and they pat you on the back for no reason.

• (9:40 p.m.)

We on this side will pat you on the back when you do a job and earn the pat. But when you rise in your place, in the first week of February, and say that the grain drying equipment is being readied you get no pat on the back from this side of the house. This equipment should have been ready three months ago. I say to you that, as a new member of parliament and a new minister, you have a hard road ahead but you will get your share of credit from this side of the house if you earn it, but not unless you earn it.

Mr. Mahoney: Mr. Chairman, I rise on a point of privilege. I possibly should have done this earlier but I did not want to interrupt the hon. member for Crowfoot in the full flow of his adrenalin. Others less charitable might say martinis, but I will settle for adrenalin. In any case, Mr. Chairman, the hon. member chose, and I think it is the third time this session that allusions have been made from the other side, to refer to what I have been doing in this house at a given time. This may, of course, be attributable to the unusual amount of time I spend here by some people's standards, but in any case I would like to record that when I was alleged to be hooting and so on, I was behind the curtain smoking.

Mr. Horner: On a point of order, Mr. Chairman, let us establish very clearly that this is not a point of privilege. A point of privilege has to be raised at the very earliest possible opportunity, and certainly I never at any time referred to the hon. member for Calgary South. However, I say to the hon. member that if the cap fits, wear it. I also represent part of the city of Calgary—

The Deputy Chairman: Order. The hon. member for Saskatoon-Biggar.

Mr. Horner: I am speaking on a point of order, Mr. Chairman.

The Deputy Chairman: There is no point of order. If the hon. member has a point of order I would like him to state it.

Mr. Horner: My point of order is that the hon. member for Calgary South rose to speak on a point of privilege. The point of privilege was, in fact, not a point of privilege. He referred to me as being in full flight in a speech on agriculture—

Some hon. Members: Oh, oh.

Mr. Horner: Well, he boasted about his record of attendance in the House of Commons, which was completely uncalled for. I can only say that, in view of the remarks he made during the election campaign—

The Deputy Chairman: Order.

Mr. Horner: —to the effect that Calgary is not concerned with agriculture, today he must have a guilty conscience with regard to the whole subject of agriculture.

The Deputy Chairman: Order. The hon. member for Saskatoon-Biggar.

Mr. Gleave: Mr. Chairman, I was a little bit surprised this evening to hear the Minister without Portfolio (Mr. Lang) accuse the opposition of bad faith and then say that he hoped the co-operation of the house would be given to get this bill passed this evening. Really, Mr. Chairman, the two approaches are a bit conflicting, and we have had the old panic button bit again. I, myself, would like to see this bill go through tonight, not because I am fully convinced it is what should be done, but I think it is all the government intends to do.

I do not intend to say anything about grain movements or that sort of thing. However, I will say that in my opinion the government has failed to tell this house the nature of the problem and how it proposes to deal with it. For example, the government has not indicated how many millions of bushels it thinks we have to contend with under this bill. There has been no indication of the probable cost per bushel of drying grain or how this offer is related to the probable cost per bushel of drying it. The Minister has not dealt with the number of machines and the type of equipment available. These are the relevant facts that I had expected the government to put before the house.

If we on this side are being asked to support this bill, and if our co-operation is requested, then we must consider the kind of information that should have been provided to the house. I am not going to deal further with this matter except to say, as I have said before in the house, that the farmers do not come here as beggars or supplicants. This is a serious situation and we expect it to be dealt with in a serious manner.

Mr. Benjamin: Mr. Chairman, in light of the minister's remarks I have a similar feeling to that of my colleague from Saskatoon-Biggar. If the minister thinks for one moment that we enjoy castigating him, I can tell him that we do not. In fact, we think he is a nice fellow.

Starting back on October 14 proposals were made by members in the opposition, both in the Official Opposition and in our group, dealing with this problem. We are not suggesting that our proposals were 100 per cent right. They were made on specific points. A dozen proposals were made by members in this group and by members of the Official Opposition, yet we have never received the courtesy of a concrete reply from government ministers as to how good, bad, adequate or inadequate they thought our proposals.

We do not pretend that our proposals were perfect. We put them forward as ideas, and we would have liked to receive a reply to them. But we did not get that. Instead of a reply from the minister we got abuse; we were told that we speak in bad faith and that we are trying to gain political advantage. Mr. Chairman, in that respect we do not need to say a word because the action or inaction of the government is giving us all the political advantage we need in the prairie provinces.

However, I will say this for the Minister without Portfolio (Mr. Lang), he is the first and only minister to date who has fairly answered the proposals made by members in the opposition parties. These proposals have been made a number of times since mid-October concerning direct cash payments for the drying of grain and putting it into marketable condition. He is the first and only one who finally said no. We could not even get that answer out of the Minister of Agriculture, although I am sure he was getting that answer from the Minister of Finance.

The minister and the government are perfectly entitled to decide as a matter of policy that they will not make a cash outlay for this purpose. However, it is wrong to use the kind of logic that the minister used when he said that if he makes cash payments to farmers who have grain to dry, then what about the farmer who does not have to dry grain, and what about the farmer who does not have a crop at all?

Let us apply the same logic to the occasion when the Winnipeg flood occurred and public

funds were spent on behalf of the city of Winnipeg, and rightly so. The question could then have been asked, what about all the other poor cities that did not have a flood. You could apply the same logic to the case of the steel plant in Nova Scotia when funds were provided to save it. At that time there were lots of other steel plants doing well. Such a logical reason for not providing cash advances does not wash with members of this house.

I submit that probably the Minister without Portfolio, his colleague the minister of Agriculture, and possibly the hon. member for Assiniboia made sincere efforts to persuade the government, and in particular the Minister of Finance, to part with some money but they did not succeed. That is fine if they have done that, and I will give them A for effort. But I refuse to accept the kind of arguments the minister put forward tonight as logical or reasonable against the idea of providing cash outlays to put cereal grains in a marketable condition.

The other day I raised another question. I would still like to know if the Minister without Portfolio, the Minister of Agriculture or anyone else answered the Saskatchewan Farmers' Union request. If so, what was the answer? The proposals by the members of the opposition just did not originate with the New Democratic party or the Conservative party. The Saskatchewan Farmers Union, the National Farmers Union, the Saskatchewan Federation of Agriculture, the Canadian Federation of Agriculture, the Alberta Farmers Union, all these ask for the same thing. If the minister suggests they are all wet too, I hope he will stand up and say so. I also wonder whether the minister can assure me, if it is already in the legislation I may have missed it, that it is possible for a farmer to carry over a cash advance in the next year. If such provision is in the legislation, perhaps he would point out to me where it is. If it is not in the legislation, I should like to know whether it is in a regulation somewhere. If he can satisfy me on this point, then I will agree that an amendment to section 13 is not necessary. If he cannot satisfy me on this point, I would hope the minister would look at it again and quickly bring in an amendment to the bill.

• (9:50 p.m.)

Mr. Baldwin: Mr. Chairman, I rise to address a few remarks to the minister, more in sorrow than in anger, in connection with this matter. I recognize his right to give the answer he did on second reading, but I suggest to the hon. gentleman who is now assuming other responsibilities that when the members of any opposition party in the full exercise of their rights and responsibilities criticize the manner in which the government has introduced a bill, criticize the extent to which the bill goes in terms of meeting the problems with which it is designed to deal, that ministers playing partisan politics should not seize on this opportunity to attack opposition members as it seems to me the hon. gentleman did. He talked about half truths. This seems to me to be very peculiar coming from a member of a government which would not recognize the truth if it lay down alongside it.

The former constituency of Peace River embraced within its limits more farmers than any other constituency in this country. It was redistributed and split up, so this situation no longer prevails. I have been content to leave in the hands of my competent colleagues in Her Majesty's loyal opposition the task of criticizing the various agricultural measures which have been brought in. I have not said anything, although at times I felt I should have. However, I believe they have fairly put what people have been saying all over Canada; that is, that it is about time this government got off its big, fat, lazy establishment and did something. That has been the tenor of our criticism and I believe it is justified and rational criticism. I am sorry the government has not taken into account the few hundred dollars which are being paid by this measure, which barely constitutes the amount by which the Minister of Finance and the government have caused inflation in this country. The $600 probably represents the extra cost of living which the farmer has to pay today.

Mr. Benson: Nonsense.

Mr. Baldwin: The minister will have an opportunity to deal with this later on his own measure. Never have we seen with regard to the agricultural problems of western Canada a more flabby, futile, indifferent, inefficient, attitude by a government. The weather has been used as an excuse for not doing what needs to be done. I think this is a terrible example. In the past few days I have had letters from constituents in my area who mentioned meetings which had been held at which the Liberal candidate, among others, had attended. The only solution presented to those meetings was that the poor farmers in the Peace River country could wait until

some time in the late spring, then possibly the Minister of Agriculture would go there to console them. They could weep on his shoulder. This is small consolation in respect of the problems which face these people.

I think that the minister, who is obviously concerned about seeing this bill go through, might benefit if he would read the contribution made in this house by the former minister of transport, now the President of the Canadian Transport Commission, concerning the piloting of a difficult bill. That gentleman referred to the importance of securing the participation and co-operation of hon. members from all sides of the house.

Mr. McIntosh: Mr. Chairman, unlike my colleague the hon. member for Peace River, I rise to speak on the first clause of this bill more in anger than in sorrow.

Some hon. Members: Oh, oh.

Mr. McIntosh: Yes, oh, oh! I only wish I could convey to members of the house how angry a great number of the farmers are about the inability of this government to cope with this agricultural problem. I have listened, until I am sick and tired, to the utterances of the two ministers who are in the house tonight to the effect that the members of the opposition who have spoken on behalf of the grain farmers are doing a disservice to the people whom they represent, the western farmers. This is their excuse. Much has been made of the weather, and the fact nobody anticipated this type of weather. These ministers also make excuses about transportation, the lack of box cars, and the lack of sales. Then, when they have anticipated sales they do not know how to cope with them. As one hon. member pointed out boats are sent away empty. This is a disgrace because these things have an affect on the economy of the whole country and not just that of western Canada.

I say to the minister from Saskatoon that he is doing a disservice to the people he is supposed to be fighting for in this house. If he would make the statement he has made about the opposition members to the cabinet, outlining the disservice the cabinet is doing to the grain farmers because of their inability to find markets for the grain and the lack of future planning, then he would be doing a service to the western farmers. He would also be doing a service to his party because the position of the Liberal party in western Canada is now even worse than it was during the last election, and that is saying something. I suggest that the minister should be telling the cabinet they should review their whole attitude with regard to agriculture since they came to power in 1963 because they have said, time and time again on public platforms, that it is not up to them to sell wheat. These ministers say that for the Canadian Wheat Board should sell wheat and that it was just a circumstance that wheat was sold when another government was in power. When the farmers in western Canada have experienced both types of administration with regard to agriculture, they find such statements hard to swallow. The next time the minister stands on the platform in an election campaign he will have difficulty in putting that argument across.

The Deputy Chairman: Order. I would ask the hon. member to restrict his argument to clause 1 of the bill.

Mr. McIntosh: I am sorry, Mr. Chairman. Perhaps I have deviated from clause 1 but it is a very broad clause. I am sure I can substantiate the statements I have made because I felt the statements the minister made should be answered from this side of the house. He has given his own members a wrong picture. The minister is giving all the eastern members an incorrect picture. The eastern members feel that every time farmers from western Canada receive either an interim of final payment from the Wheat Board that this money comes out of the federal treasury. This is not so; it is the farmers' own money.

• (10:00 p.m.)

The minister referred to grants requested by some members on this side of the house. What is wrong with that? The farmers of western Canada have contributed to every national project in this country, including the St. Lawrence Seaway and the C.B.C., although until last year my constituents had for the previous eight years paid an average of $20 per house per year and did not receive service from the C.B.C. These people did not complain one bit.

There is one disservice the minister is doing the people he represents; he should be trying to paint the proper picture to his colleagues from western Canada on that side of the house and some of those from eastern Canada on this side. Western farmers do not receive the grants which some people have suggested they do. They are losing money out of the wheat pool, and are losing money by reason of the ships being tied up in Vancouver. The farmers will have to pay the demurrage charges in this connection. This money

does not come from the national treasury; it comes off the price the farmer gets for his wheat. The farmer suffers the loss in this regard. The minister should be explaining these things to his cabinet colleagues so they may understand the problem. Then, perhaps they would not be cat-calling as they did this evening when members on this side of the house tried to fight for their constituents.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, before we proceed to other business I should like to confirm that tomorrow and Thursday we shall be calling as the first order of business the bill to amend the Estate Tax Act. Perhaps I could also indicate that there have been discussions, and particularly a suggestion, that although the Minister of Justice will himself be occupied at the federal-provincial conference next week we propose to call again the second reading of the omnibus bill to amend the Criminal Code. This will be done on the understanding that at a later stage, either that week or the following week, the minister will close the debate. Therefore hon. members interested in participating in the debate have notice that the bill will be coming forward again, probably on February 11 rather than, as I suggested on a earlier date, February 17.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order 40 deemed to have been moved.

VOCATIONAL TRAINING—OPPORTUNITIES FOR UNEMPLOYED TO IMPROVE TECHNICAL SKILLS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I would like to draw to the attention of the house the question I asked the other day with regard to vocational training. On January 21 I asked the Minister of Manpower and Immigration (Mr. MacEachen) whether additional funds would be made available for vocational training and facilities therefor. He indicated that no additional funds would be allocated for vocational training in technical schools. I then asked the Prime Minister (Mr. Trudeau) on January 24 whether, having in mind his statement that with the elimination of the municipal winter works program, additional funds would be provided for the upgrading of such technical schools as required them? Would he agree that there should be funds allotted for such a purpose, particularly because of the urgency connected with the situation? My question was not accepted and I referred it to the late show.

I should like to refer briefly to some of the statements made in the house by the Prime Minister and the Minister of Manpower and Immigration. In October, the Prime Minister said he had explained that the winter works program would be replaced by programs entailing much higher and much more useful expenditures as far as the economic expansion of the country was concerned. In answer to a question the Prime Minister also said that when the government abandoned the winter works program, it did so because it felt there were other ways in which to ensure prosperity. On September 16 he said that we must terminate any programs which could be replaced by more productive ones, and must defer any which were not immediately essential. The Minister of Forestry and Rural Development (Mr. Marchand) suggested that our intention was to increase the amount of training during this period.

This program was not introduced in order to help municipalities but to improve the employment position in the winter time. I would suggest that in each and every one of these cases those responsible for making the statements were dealing with the upgrading of people going to technical and vocational schools. It put a question to the Minister of Manpower and Immigration (Mr. MacEachen) as to whether additional funds would be available, and he answered "no". I now suggest that an answer should be given in the house as to whether or not the additional funds that were said to be allocated for the upgrading of those people who need this type of training will be provided. It appears that no such funds are available. We realize that there is some difficulty in projecting what will be necessary in the future for the upgrading of certain skills, but I suggest that in these provinces where technical and vocational schools are provided there is a definite need for federal participation in view of the rapid movement of employees in this country.

We all realize that there is a great mobility in our society, and it becomes the federal responsiblity to provide funds to upgrade those people who must move. I suggest there is a real urgency in providing this type of

facility. I am given to understand that the budget has not been increased to provide additional funds for the upgrading of the vocational training which is desperately needed at this time.

I believe in all sincerity that the government, in the statements that have been made in the house, has led us down the garden path in suggesting to us that the municipal winter works program was curtailed in order to provide additional funds for vocational training. If this is the case and no additional funds are being provided, then what was the purpose of the government in suggesting they would cut down the municipal winter works program to provide this type of funds? We knew at the time that the abandonment of the winter works program would curtail employment in the communities as well as on projects that were well planned in advance.

We ended up with more unemployment than was necessary and without the facilities to make the upgrading of these people possible. I suggest that some answer should be given in the house by the minister as to whether or not the government was sincere when it said that addtional funds would be provided for vocational training in this nation.

Mr. Gérard Loiselle (Parliamentary Secretary to the Minister of Manpower and Immigration): It is true that the hon. member for Moose Jaw (Mr. Skoberg) asked this question on January 21 and 24. It is also a fact that the government was very sincere when they said sufficient funds had been put away for that purpose to the extent that the budget would allow. In point of fact, retraining funds have been substantially increased in all provinces this winter, well beyond the money that would have been spent had the winter works program been continued. In the Atlantic provinces the increase has been in the neighbourhood of $9 million, for a total of approximately $26 million. When this $9 million increase is set against the total federal winter works expenditure of just over half a million dollars, one can appreciate the impact of this additional effort. In Ontario, the training program expenditures are up by $13.5 million, and in Quebec by $18.6 million.

• (10:10 p.m.)

In the hon. member's own province, the funds have been increased from $5.4 million to $7.6 million. This compares with a winter works outlay of less than three quarters of a million dollars in 1967-68. The total expenditure on the winter works program for 1967-68 amounted to about $25 million and the increase in the cost of the manpower training program provided for in this year's budget amounts to 100 per cent. So, provision is made in this year's budget for double the money spent on the winter works program. This being the case, no doubt can be read into the words of the Prime Minister (Mr. Trudeau) or the words of the minister directly responsible when they say the winter works program has been changed to allow for a form of expenditure which would be of greater benefit to those concerned.

Even though the hon. member may not be satisfied by the way in which we are spending this money he should at least, in my view, recognize the effort the government is making in this field, and take a note of the expenditures involved. I cannot say what the next budget will bring, but I am pretty sure that there will be a further increase in the sum provided. It is along these lines that the government intends to proceed to correct some of the problems in connection with which members of the government are reproaching—

[*Translation*]

Mr. Speaker: Order. I must interrupt the Parliamentary Secretary, because his time has expired.

[*English*]

ESTATE TAX ACT—INFORMATION TO HONOURABLE MEMBERS RESPECTING LEGISLATION

Hon. Marcel Lambert (Edmonton West): My question arises out of one I directed to the Minister of Finance (Mr. Benson) on January 29 suggesting a possible leak by members of the government caucus with regard to certain proposed changes in the Estate Tax proposal.

If one refers to *Hansard* at page 4899, one will find that I asked the minister whether he had authorized the hon. member for Provencher (Mr. Smerchanski) and the hon. member for Portage (Mr. Cobbe) to disclose his intention to make certain changes, and bow to some of the opposition to the bill. The minister replied: "No, Mr. Speaker".

The reason I object to that answer is that just by the sheerest coincidence the two hon. members I mentioned had held a press conference at Liberal party headquarters in Winnipeg on the Monday. I am told the hon. member for Portage had appeared on television. And they made statements to the press.

I have before me a clipping from the Winnipeg *Free Press* of January 28, wherein it is stated:

> Changes in the proposed estates tax bill are expected to be announced in Ottawa shortly by Finance Minister E. J. Benson, two Manitoba M.P.s disclosed at a Winnipeg press conference.
>
> Gerald R. Cobbe, chairman of the Manitoba federal caucus, and Mark G. Smerchanski said the Canadian Finance Minister had decided to bow to the opposition on the bill that had come up from both within and without the party in recent weeks.

First, they dealt with the matter of exemption, and indicated the exemption figure would probably be made considerably higher. The exact figure of $50,000 was not given, but it was indicated the figure would be considerably higher. In the second place, the press were told the revised proposal would include:

> An altered method of paying so that estate taxes could, if necessary, be paid over, say, a five-year period—an annual penalty based on "current interest rates" to be charged.

The report continued:

> To eliminate the uncertainty about proposed legislation that would not be retroactive to October, 1968, an arrangement whereby the new tax would only take effect from the date it becomes law. Thus, persons in the process of making decisions regarding their estates until then could have an option of whether they prefer the old or the new legislation.

Other statements were made by the two hon. members, blowing their own horns, to the effect that they had put pressure on the minister, and so forth.

That is just so much barnyard fertilizer, Mr. Speaker. We know there was opposition. There has been opposition by mail. There has been every type of opposition from this side of the house. There has been opposition from backbenchers. Those chaps aren't telling us anything. The minister's own members would tell us that they were opposed to many of these things.

Speeches were made on the subject by members on this side, both inside and outside the house. I have heard speeches made before the tax foundation, assessments of the proposals, and I participated in the discussions. But what I am objecting to is members of the government party claiming that they have influence on the minister and are able to zero in on precisely the three points that were announced by the minister in his press release the following day. The coincidence is very close, and is also very touching.

Mr. Benson: It is not close at all. Read what was said.

Mr. Lambert (Edmonton West): I know what the modifications are as much as the minister. The exemption was raised considerably. They did not use the figure of $50,000, but it was considerably higher than the $20,000 that they mentioned. With regard to payments being spread over five years, again this indication was given, and also the current interest rates were mentioned. This is precisely what has been provided for, instalment payments. That provision is in the minister's own statement.

Mr. Thompson (Red Deer): Over five years though.

Mr. Lambert (Edmonton West): The minister says in his statement that there will be up to six instalments, but these are over a period of five years.

Mr. Benson: That is now.

Mr. Speaker: Order, please. I am not intervening for the purpose of informing the hon. member that time has expired but to remind both the hon. member and the minister that there should be no debate at this time.

Mr. Lambert (Edmonton West): I could argue with the minister on this. Previously there was an option. The minister could grant relief in the case of hardship; now it is granted as a matter of right. But the period is five years with six instalments.

There is also an option with regard to the legislation coming into effect. In the case of persons whose estates fall in before August 1, 1969 they can elect either to be assessed under the old legislation or under the new provisions, and as far as the estate is concerned they will naturally chose the more advantageous alternative. This is also forecast. Slightly different words were used, but that was the intent of them.

What I am asking is how these two members were able to call a press conference and announce that these would be the changes to be made about four or five days before the minister actually made his announcement.

Mr. Francis: They were smart.

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): I will take care of the hon. member later.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have only three minutes as opposed to the seven minutes taken by the

hon. member. First of all, in respect to the estate tax I did not receive a single letter or request for a meeting from any member of the opposition. Secondly, I should like to say that the most frequent submissions with regard to the estate tax dealt with the level of the exemptions and difficulties concerning payment of estate tax, as well as with what would happen to the estates of people who died before the law came into effect. Everybody knew this except the opposition members, who were not paying any attention to what was happening.

Mr. Lambert (Edmonton West): The minister is factually wrong.

Mr. Benson: I told everybody who made these submissions that I would give them sympathetic consideration, in the same way as I have said I would give sympathetic consideration to representations respecting tax reform in this country. That is all I have ever said to anyone. Beyond that, there was no leak. If my hon. friend examines what people in Winnipeg have been saying he will find they are not even remotely representing what I actually did.

• (10:20 p.m.)

I have been speaking of the three major points submitted to me across the country. Almost everybody knew about those except hon. members of the opposition who seemed to have no interest in the matter and who did not want to make submissions to the Minister of Finance.

Mr. Lambert (Edmonton West): That is not factually correct.

Mr. Thompson: I have received more than 1,000 letters on the subject.

Mr. Benson: Why did the hon. member not speak to me about the matter or send me the letters? If hon. members on the other side of the house wish to make submissions I will give them sympathetic attention. That is all I have ever said.

Mr. Speaker: The hon. member for Winnipeg South Centre.

Mr. Thompson: Mr. Speaker,—

Mr. Speaker: Order, please. The hon. member for Winnipeg South Centre has the floor.

[Mr. Benson.]

POWER—NELSON RIVER, MANITOBA—ALLEGED HARMFUL EFFECTS OF DEVELOPMENT

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, my question arises because of great concern being felt over something that potentially is very good for northern Manitoba. We have two important rivers, the Nelson and the Churchill, which fall in approximately parallel courses towards Hudson Bay. As is probably well known, it is planned to harness the Nelson River and obtain about 6 million kilowatts of power from it at a cost of about $1 billion. The federal government is taking part in this enterprise by contributing to the cost of 596 odd miles of transmission line south from the power site. This could be a bonanza for the province and for most of us in Canada, but there is another side to the coin which seriously worries me and which has prompted my participation in this debate at this time.

There are experts who are very, very concerned about an Indian community of 100 families who earn an average income of $3,600 a year from trapping, fishing and that sort of thing. That sort of income is very unusual for Indians. These Indians are completely self-sufficient. I believe one man only is on welfare. Everybody else is secure in employment there. The Indians there are in tune with their environment and able to live well.

It is proposed to back up the Churchill River and allow this valley where the Indians live and South Indian Lake to be submerged under 35 feet of water. The Indians living there would have to move away without receiving adequate compensation. There is no sign yet that they will receive adequate compensation. That sort of thing has already happened to one Indian community, and it was ruined by having to move.

The people of Churchill are also concerned about what will happen to them if 80 per cent of the water of the Churchill River is diverted. The federal government is taking some interest in this area. The people there wonder if the river will freeze in the winter. Will there be enough water to service existing sewage facilities? Will shipping be able to come there? Will there be enough water for the whales, and will the whaling industry there survive? Also, will there be enough water to fill existing wells and, as I have already asked, will ships be able to come to the port? I am not a prophet of gloom but I do not believe these questions have been adequately answered by anyone.

Another community called Nelson House which consists of 1,200 people is in serious trouble. This community, fairly close to Lake Winnipeg, is in potentially serious trouble. Financial experts feel that, to the Indians at South Indian Lake, their fishing is worth $1,171,000 in income, and their trapping is worth $51,000. Those figures might be taken as the basis of any compensation awarded to those people. The industry of the people up there will be ruined because the provincial government will not listen to experts who have looked into the situation. These experts are not spurious or invented. They are real experts whom I can name. A report has been submitted to the provincial government by its own experts. If the government does not listen to them that is its own business, but the loss affects all Manitoba.

The premier of Manitoba says that he will reconsider his decision on the matter. But I am worried in case he is tied to an agreement with the federal government respecting the supply of power lines which may be one of those non-negotiable, non-changeable situations in which the dictates of common sense must be ignored for the sake of a piece of paper. I hope that is not so. From reports I have seen it is indicated that changes that would take place in the development of power, if any of the alternative suggestions proposed by the provincial Hydro authority were accepted, would be infinitesimal when one considers the five or six million kilowatts of power that would be produced by the entire development. Certainly, the proposed changes are not great enough to justify the steps proposed to be taken. Viable alternatives to present courses of action exist. For instance, water needed to produce power could be held or stored in Saskatchewan. It seems, however, that the Manitoba provincial government wants to have control of this water. Other alternatives might be considered. The provincial government might consider taking water from Minnesota or North Dakota. At any rate, we should ask ourselves if we need this water badly enough to dispossess the people I have referred to of their livelihoods.

I hope the federal government is not irrevocably committed to a situation that will allow the provincial government to turn the areas I have spoken of into a swamp that may last for 100 years. In the opinion of ecologists and other experts the swamp will last that long. On the other hand, if the provincial government wishes to hide behind the coat tails of the federal government and do nothing, it should say so. But we should try to compensate those who will lose their livelihoods.

Mr. R. J. Orange (Parliamentary Secretary to Minister of Mines, Energy and Resources): Mr. Speaker, the hon. member has been talking about the problems which have been brought about as the result of the growth and development of our country. As any of our important resources are developed people may have to be relocated, or allocated other places to live. Of course, if resources both under the ground and on top of the ground are to be developed there will have to be a relocation of our people.

The hon. member has touched on something that is fundamental to our thinking. He is concerned about the people from Nelson House and South Indian River and is worried that they will be forced to move because of economic development taking place in their area.

I should like to review some of the arrangements which have been made between the federal government and the provincial government of Manitoba with respect to what I consider a magnificent opportunity for economic development in Canada. I am, of course, talking of the transmission line the hon. member mentioned and the development of the Nelson and Churchill Rivers. The federal and provincial governments arranged to share in the cost of developing the site. Studies included a complete power survey of the Nelson River and a study of the Churchill River diversion as well as alternative routes. The power development project then proceeded into phase 1. This includes a transmission line financed by the federal government, as the Manitoba government was unable to undertake the project by itself. The line will be made available to the province for operation on a lease basis.

Manitoba's responsibilities in phase 1 include the Nelson River generating stations, the Churchill River diversion, and control of the level of Lake Winnipeg. Studies of the Churchill River diversion were undertaken by consulting firms which delved into all aspects of the situation, including the provision of facilities for relocation of families whose lands might be flooded. Under the agreement, Mr. Speaker, this was a provincial responsibility.

The federal government has committed $170 million for the transmission line project. The province has committed $250 million for

the Nelson River hydroelectric development and the Churchill River diversion.

I say to the hon. member the cost of relocating the people affected will be covered by the province. I am sure the province recognizes this. The financial cost and also the human and economic cost of diversion or relocation of the people involved is the fundamental problem. This problem rests with the province in terms of what happens to the people. I feel sorry for the hundred families of the South Indian Lake area who could be forced off their land. At the moment, this responsibility rests with the provincial government. The federal government has not made a cost-sharing arrangement with the provincial government in order to proceed with economic development.

Mr. Knowles (Winnipeg North Centre): You didn't answer the question.

Mr. Orange: I did.

Mr. Speaker: Order, please. The motion to adjourn the house is now deemed to have been adopted. Accordingly, this house stands adjourned until tomorrow at 2 p.m.

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

HOUSE OF COMMONS

Wednesday, February 5, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

• (2:10 p.m.)

PRIVILEGE

MR. THOMPSON (RED DEER)—ALLEGED MISSTATEMENT BY MINISTER ABOUT REPRESENTATIONS ON ESTATE TAX

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I rise on a point of privilege relating to remarks that were made last night during the "late show" by the Minister of Finance (Mr. Benson). These remarks were in reply to a complaint that was legitimately made by the hon. member for Edmonton West (Mr. Lambert) in regard to a press release that appeared in the Winnipeg *Free Press* on January 28 and provided to this newspaper by the hon. members for Portage (Mr. Cobbe) and Provencher (Mr. Smerchanski). Their release dealt with changes in the estates tax that they said would be brought about by the finance ministry.

As a result of the complaint made by the hon. member for Edmonton West in regard to members of the government party making statements to the press in advance of a policy statement being made to the house about government policy, the Minister of Finance stated, as reported in *Hansard* at page 5160:

> First of all, in respect to the estate tax I did not receive a single letter or request for a meeting from any member of the opposition. Secondly, I should like to say that the most frequent submissions with regard to the estate tax dealt with the level of the exemptions and difficulties concerning payment of estate tax, as well as with what would happen to the estates of people who died before the law came into effect. Everybody knew this except the opposition members, who were not paying any attention to what was happening.

I rise on this point of privilege because I believe that the Minister of Finance is either ignorant of what comes into his office, is not aware of what is being said in the House of Commons, or else is intentionally misrepresenting the facts. I say this because this statement is not according to the facts.

A little further on in the debate I myself pointed out that I had received more than 1,000 letters protesting against the estate tax, in reply to which the minister said:

> Why did the hon. member not speak to me about the matter or send me the letters?

I would remind the minister that I did write him a letter, to which was attached a number of petitions; I did not bother him with the individual letters. The text of the letter is as follows:

> I am enclosing herewith copies of several petitions which have been received from communities in my constituency protesting against the pending estate tax which, together with the flood of mail to this date, reaches well into the hundreds. It is my impression that public opinion is overwhelmingly against this bill. I believe that such legislation, if enacted, can prove extremely detrimental whether it affects farm, business or home. It will also, in my opinion, be harmful to the economy in the sense that it will discourage initiative and, at the same time, drive much needed capital out of the country. I believe that you would be well advised to modify or withdraw altogether this part of the current budget proposal.

I have not received, as yet, a reply to this letter.

I wrote a similar letter to the Prime Minister, who did have the courtesy to reply. On January 30 I received the following letter from the Office of the Prime Minister:

> On behalf of the Prime Minister, I acknowledge with thanks receipt of your letter of January 29, enclosing copies of several petitions from communities in your constituency, protesting against the pending estate tax.
>
> Your comments regarding public reaction to this bill are being brought to Mr. Trudeau's attention.

I am not the only one in the opposition to protest against the new estate tax. Many others in the opposition protested. I know the hon. member for Crowfoot (Mr. Horner), spoke directly to the minister about this.

Mr. Speaker: Order, please. The hon. member should state the question of privilege. I suggest that we should not have a full fledged debate on the question at this time. The hon. member should state the question of privilege and indicate whether it will be followed by a motion.

Mr. Thompson (Red Deer): Mr. Speaker, I have just mentioned these points to substan-

tiate that what the minister said last night was not correct.

Some hon. Members: Hear, hear.

Mr. Thompson (Red Deer): His statement was a gross misrepresentation of fact. In order to comply with your instructions I will not quote from *Hansard*. I could refer to 12 quotations from *Hansard* to show where hon. members of the opposition spoke against the provisions of the new estate tax. I could also quote from two major speeches made by my leader in the House of Commons in which he spoke against the provisions of the tax.

My point of privilege is this, sir. I believe the Minister of Finance owes the members of the opposition an apology and he owes me an apology because what he said last night was not correct. His statement makes it appear we are prevaricators and distorters of truth. I believe this is a legitimate point of privilege and there is overwhelming evidence to substantiate it.

Mr. Speaker: I think I must indicate to hon. members that I have no inclination to allow a general debate on a subject which will be debated later today, and which is on the order paper for today. Basically, the hon. member's point is that he claims a statement made by the Minister of Finance is incorrect. Whether that constitutes a question of privilege I am not too sure. In any event, I suggest to hon. members that the Minister of Finance perhaps might be allowed to say a word and the ruling might be made after that.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, with regard to the point of privilege, I wish to say that I received many letters about the estate tax. I have had some checking done this morning because I also considered what I said last night, and I thought about it afterwards. I said I had not had a single letter from any member of the opposition or a request from an hon. member of the opposition to speak to me in my office about the estate tax. The latter part of my statement is quite correct.

Some hon. Members: Oh, oh.

Mr. Benson: Just a moment. Am I not to be allowed to conclude, Mr. Speaker? I have not had any members of the opposition make representations to me personally with respect to the estate tax. That is correct. I checked through my correspondence. I had it checked this morning and learned I have received eight letters from members of the opposition with respect to the estate tax. That is exactly four times as many letters as I received from an independent hon. member of this house who sits in the Chair. I received 100 odd letters from hon. members who sit on another side of the house with respect to the estate tax. If I misled any hon. member last evening I sincerely apologize.

Mr. Horner: You bet you did.

Mr. Speaker: Order, please.

Mr. Thompson (Red Deer): Mr. Speaker, on the point—

Mr. Speaker: Order, please. The hon. member for Red Deer has already spoken and made his point. The rules do now allow him to raise a second point of privilege.

• (2:20 p.m.)

Looking at the matter objectively—and I speak as the person who sat in the Chair last night when the matter was raised by the hon. member for Red Deer (Mr. Thompson) by way of interjection to the remarks of the Minister of Finance (Mr. Benson) who was replying to a question asked on the adjournment debate—it is obvious there is a dispute as to the facts.

The hon. member for Red Deer states that the Minister of Finance was in error when he said that no representations had been made to his office. The Minister of Finance says he was wrong. I am not sure whether the minister actually said that, but perhaps the Chair might say he admitted that representations were in fact made. Whether the situation constitutes a question of privilege, I have serious doubts.

In any event the hon. member for Red Deer has made his protest. The minister has answered and recognized that the hon. member for Red Deer was correct when he said he had made representations to the minister's office. I doubt very much in the circumstances whether we should embark upon a general debate on this matter because, according to the rules, no motion has been moved. The rules are very clear in this regard.

Hon. members have given the Chair these rules to interpret and I have interpreted them to the effect that no motion having been made the point raised by the hon. member for Red Deer should not be pursued. I suggest we should now go on to the business of the House of Commons.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

GREAT SLAVE LAKE RAILWAY CONSTRUCTION

Question No. 206—**Mr. Schreyer:**

1. Has the Minister of Transport made a decision relative to the claims submitted to him by those contractors that were engaged in the construction of the Great Slave Lake Railway for the C.N.R. and, if so, what is the decision?

2. If such claims have been accepted as valid, is Treasury Board approval being sought for payment, either in whole or in part, of these claims?

Hon. Paul Hellyer (Minister of Transport): 1. A review has been made of the circumstances relating to the claims of various contractors against the C.N.R. in respect to the construction of the Great Slave Lake Railway.

Notwithstanding that one may have considerable sympathy for the circumstances in which the contractors find themselves as a result of these contracts, it appears that the claims to the extent that they remain outstanding, are matters which must be settled between the companies directly involved and the management of the C.N.R.

The C.N.R. has informed the Minister of Transport that some of the claims have been dealt with and additional payments have been made in some cases.

2. Not applicable.

"BLACK BAY"—IRREGULAR LOADING PROCEDURE

Question No. 897—**Mr. Hees:**

1. Was the *Black Bay* of Canada Steamship Lines moved into the Montreal elevators on Saturday, November 16, out of turn, and was it loaded with American corn?

2. Were representations made to the Minister of Agriculture, or any other Minister regarding Part 1, and by whom?

3. Was the grain trade in general consulted as to the advisability of this move?

4. How much American corn has been brought into Canada from August 1 until the present time?

5. What is the government policy at the present time on the importation of American corn?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Agriculture, the Dominion Bureau of Statistics and the Department of Finance as follows: 1. The M/V *Black Bay* discharged a cargo of American corn at Montreal on or about November 16, 1968, in accordance with Section 134 of the Canada Grain Act.

2. Yes. Co-opérative Fédérée de Québec; Agro Co. of Canada Ltd.; L'Union catholique des Cultivateurs; Canada Steamship Lines Limited; Comptoir agricole de St. Lambert Inc.; Minister of Agriculture and Colonization, Province of Quebec; James Richardson and Sons Ltd.; Leblanc et Lafrance; Association professionnelle des Meuniers du Québec; Paul Godbout Inc.; Benoit Gagné Ltée; Upper Lakes Shipping Limited; Parrish and Heimbecker Ltd.; Maple Leaf Mills Limited.

3. No.

4. The amount of "Indian corn, shelled" imported from the United States for the four months of August, September, October and November 1968 (latest figures available) is: August, 2,923,840 bushels; September, 4,476,402 bushels; October, 3,719,207 bushels; November, 4,587,627 bushels; Total, 15,707,076 bushels.

5. There is no special policy regarding imports of U.S. corn. From October 30, 1968, to December 31, 1968, imports of corn from all sources not entitled to entry under the British Preferential Tariff or any lower tariff were subject to special valuation for duty. Since January 1st, 1969 corn imports have been subject only to the normal provisions of the laws regarding customs duty, valuation for duty and freedom from disease.

SUPPORT FOR EDUCATIONAL TELEVISION

Question No. 908—**Mr. Robinson:**

Is the federal government providing any financial support for educational television and, if not, for what reason and, if so, how much yearly has been spent during the years 1963-1968 inclusive?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the C.B.C. as follows: The C.B.C., in co-operation with provincial department of education, spends approximately $1.5 million annually on school telecasts.

HONOURABLE LIONEL CHEVRIER

Question No. 1,093—**Mr. Fairweather:**

1. What responsibilities did the Honourable Lionel Chevrier undertake for the Government of Canada during 1968?

2. How much did these responsibilities cost Canada (a) in salary, honorarium or stipend (b) expenses?

Questions

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. From January 1, 1968 to April 30 the Hon. Lionel Chevrier served as head of the special Canadian aid mission to French-speaking Africa under the auspices of the then External Aid office. Subsequently he served as Special Adviser to the Secretary of State for External Affairs on Aid to African Francophone Countries. During the fall he also undertook a number of speaking engagements on behalf of the Canadian Government in leading cities in the United States, in response to widespread interest in that country about developments in Canada following Expo '67 and our centennial celebrations. He also did a survey of the information and cultural activities of Canadian Government agencies in the United States.

2. (a) $27,712; (b) $13,356.04.

STATION CKUA, UNIVERSITY OF ALBERTA

Question No. 1,119—**Mr. Fortin:**

1. Is it the intention of the government to cancel the license of radio station CKUA of the University of Alberta operated by the Alberta Government owned Telephone Company?

2. If not, is it the government's intention to extend this privilege to other Universities?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Radio-Television Commission as follows: 1 and 2. The CRTC is studying the present ownership and operation of Station CKUA and hopes to be able to make a public announcement in the near future.

TRANSACTIONS BY CROWN ASSETS DISPOSAL CORPORATION

Question No. 1,146—**Mr. Schreyer:**

1. Were the following items disposed of by Crown Assets Disposal Corporation during the first half of 1968 (a) truck boxes (stake) at Westwinn Canadian Forces Base, Manitoba (b) one-half ton to one ton Dodge military vehicle previously under U.S. Air Force ownership, at Canadian Defence Base, Muskwa, Manitoba?

2. If so, how many bids were received and what were the amounts in each case?

3. What were the amounts of the successful bids and by whom were they made?

Hon. Donald C. Jamieson (Minister of Defence Production): In so far as Crown Assets Disposal Corporation is concerned: 1. (a) Yes (one only); (b) Yes (one only).

2. 1(a) 7: Interlake Salvage & Supply, $88.00; Syrota Bros. Metal & Cartage Ltd., $76.00; H. J. Carruthers, $67.37; Lockport Mower Service, $38.00; Edwards Oil Ltd., $26.00; Bermar Industries Ltd., $12.00; York Tire Service Ltd., $10.00.

1(b) 9: Beausejour Auto Body, $335.00; Regent Auto & Truck Parts Co. Ltd., $315.50; Interlake Salvage & Supply, $256.00; K & S Equipment Ltd., $175.00; York Tire Service Ltd., $165.00; Princess Auto & Machinery Ltd., $116.00; Lockport Mower Service, $148.00; Queen's Park Motors, $125.00; MacCord Industries Ltd., $50.00.

3. 1(a): Interlake Salvage & Supply, Stonewall, Manitoba, $88.00.

1(b): Beausejour Auto Body, Beausejour, Manitoba, $335.00.

ICE-BREAKER "LOUIS ST. LAURENT" DESIGNERS

Question No. 1,157—**Mr. Godin:**

1. By which firm of architects was the ice-breaker *Louis St-Laurent* designed?

2. What was the initial estimated cost of the ship, and what will be its final cost?

3. What firm is carrying out the construction of the ship?

[*Translation*]

Hon. Donald C. Jamieson (Minister of Defence Production): 1. Gilmore, German & Milne, Montreal, Quebec.

2. The initial estimated cost was $18,000,000 and the final estimated cost is $21,000,000.

3. Canadian Vickers Limited, Montreal, Quebec.

[*English*]

BIG BRAS D'OR, N.S.—PUBLIC WHARF

Question No. 1,187—**Mr. Muir (Cape Breton-The Sydneys):**

1. Has the Department of Public Works carried out the improvements to the road to the public wharf at Big Bras d'Or, Nova Scotia, as outlined in an agreement with the provincial Department of Highways of Nova Scotia?

2. Has the property survey of the area in question been received by the Department of Public Works and on what date was it received?

3. Has the Department of Public Works acquired the land in question as yet?

4. When is it anticipated that the work will be completed?

Hon. Arthur Laing (Minister of Public Works): 1. No.

2. Yes, on October 17, 1968.

3. No.

4. In 1969.

ASSISTANCE PLAN PAYMENTS TO BRITISH COLUMBIA

Question No. 1,191—**Mrs. MacInnis (Vancouver-Kingsway):**

1. What was the total amount of Canada Assistance Plan payments made to the Province of British Columbia since the inception of the Plan?

2. What was the total amount of such payments made to British Columbia in respect of claims for financing Day Care Centres throughout the Province?

Hon. John C. Munro (Minister of National Health and Welfare): 1. As of December 31, 1968, the Province of British Columbia had been paid $56,414,551 under the Canada Assistance Plan.

2. A total of $18,315 was paid in respect to claims for Day Care Centres as of November 30, 1968.

FEDERAL TAX RECEIPTS

Question No. 1,211—**Mr. Matte:**

1. What is the total amount of estate tax received by the federal government from all parts of Canada and, from Quebec?

2. What is the total income derived from all indirect taxes and duties of the federal government from all parts of Canada?

3. What amount of indirect taxes come from the Province of Quebec?

Hon. Jean-Pierre Côté (Minister of National Revenue): For Taxation Division.

1. Estate tax received for all of Canada for the year ended March 31, 1968, $102,192,358.00; Estate tax received by Quebec District Offices for the year ended March 31, 1968, $21,459,060.00.

2 and 3. ...To be answered elsewhere.

For Customs and Excise

1. To be answered elsewhere.

2. for the year ended March 31, 1968:

Sales Tax	$2,239,248,969.02
Other Excise Taxes	337,610,597.26
Customs Import Duties	830,218,100.70
Excise Duties	495,252,393.32
Total	$3,902,330,060.30

3. for the year ended March 31, 1968:

Sales Tax	$ 627,740,434.66
Other Excise Taxes	225,935,050.50
Customs Import Duties	249,137,778.08
Excise Duties	207,400,778.51
Total	$1,310,214,041.75

The answer to No. 3 reflects sales tax, excise taxes, customs import duties, and excise duties, collected at Customs ports and other collections offices in the Province of Quebec. It should be noted that such figures do not necessarily represent payments by residents of Quebec.

SASKATOON, SASK; PUBLIC WORKS

Question No. 1,215—**Mr. Gleave:**

1. What works are to be undertaken by the Department of Public Works in Saskatoon in the year 1969?

2. What is the prospective cost of each and where is it to be located?

Hon. Arthur Laing (Minister of Public Works): 1. Federal Building: Renovations; Replacement of windows; Air treatment. Post Office: Renovations; Air treatment; Alterations; Air conditioning. London Building: Alterations. R.C.M.P. Quarters: Renovations. C. W. S. Migratory Birds: Addition (I.A.N.D.).

2. It is not customary to reveal estimated costs before tenders are called.

DEVCO—MINES IN CAPE BRETON AREA

Question No. 1,226—**Mr. Lewis:**

1. Is Devco now planning a phasing out of the mines in the Cape Breton area and a phasing in of new industry?

2. If so, what are the details of the steps or plans for establishing new industry, and the target dates for such plans?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): The plans of the Cape Breton Development Corporation for the progressive reduction of coal production and for the development of new industry are described in an approved overall plan, submitted by the Corporation under Section 17(1) of the C.B.-D.C. Act and tabled in the House of Commons on November 18, 1968. Further details of these plans are contained in the Minutes of Proceedings and Evidence of the Standing Committee on Regional Development, Nos. 4 and 5, of November, 1968.

APPLICATION OF TRANSFER ACT TO TELEPHONE COMPANIES

Question No. 1,232—**Mr. Fortin:**

1. As certain provinces have nationalized telephone companies, does the government intend to apply to the telephone companies the Public Utilities Income Tax Transfer Act?

2. Has any province already requested such a transfer and, if so, which provinces?

Hon. E. J. Benson (Minister of Finance): 1. No.

2. No.

VOTING AGE IN FEDERAL ELECTIONS

Question No. 1,264—**Mr. Robinson:**

Is it the government's intention to lower the voting age in federal elections to eighteen years?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Any announcement in this regard would be made only after the Standing Committee on Privileges and Elections has made its review of the Canada Elections Act.

QUESTIONS PASSED AS ORDERS FOR RETURNS

OLYMPIC GAMES—MEXICO '68

Question No. 697—**Mr. Mazankowski:**

Did the federal government make a financial contribution to the sending of competitors to the Olympic Games, Mexico '68 and, if so (a) how many competitors participated in the Olympic Games '68 (b) what are the names and addresses of these competitors (c) what was the duration of their stay in Mexico, individually (d) what was paid to each competitor for travelling allowances, per diem expenses, etc. (e) what was the total cost of sending these competitors to Mexico (f) what Department was charged with this expense?

Return tabled.

RADIATION GUIDE NUMBERS FOR MICROWAVE TOWERS

Question No. 848—**Mr. Schreyer:**

1. Does any department or agency of the Government of Canada prescribe radiation guide numbers or levels which must be complied with by operators of microwave relay towers?

2. If so, what department or agency does so for purposes of applying standards for safety to protect public health and protect against loss by agricultural operators?

3. What are the present radiation guide levels or standards in force at the present time, showing the power output at each level of frequency?

4. When were these guide levels or standards first adopted and have any revisions been made since their adoption?

5. If such revisions have been made, for what reason and at what dates?

6. Has any department or agency of the Government of Canada conducted any systematic study as to how the threshold of danger from microwave radiation changes with humidity, air temperature, frequency of irradiation and the cumulative effect of exposure over long periods of time?

7. If so, by what department or agency and with what result?

Return tabled.

UNEMPLOYMENT INSURANCE COMMISSION—ACTION TO PREVENT FRAUD

Question No. 1,074—**Mr. Knowles (Winnipeg North Centre):**

1. What were the total expenditures of the Unemployment Insurance Commission on the pilot operation of its stepped-up drive against fraud during the first six months of the said pilot operation?

2. What were the results of this drive during the same six months?

3. What are the anticipated expenditures in connection with the recently announced larger scale operation against fraud, per fiscal year, and for how long is it planned to continue this operation?

4. Has the Unemployment Insurance Commission made or had made a cost-benefit study with respect to the larger scale operation against fraud now in effect?

5. In terms of (a) number of cases (b) dollars involved, what was the percentage of fraud to the total benefit program of the Unemployment Insurance Commission in 1950, 1955, 1960, 1965, 1966, 1967 and 1968, for such period as statistics are available?

Return tabled.

MOTIONS FOR PAPERS

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, would you kindly call notices of motions Nos. 54, 57, 58, 59, 60 and 68?

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker I would ask that number 57, 58, 59 and 60 be allowed to stand.

Mr. Speaker: And number 68 will stand, also.

[*Translation*]

Mr. Forest: I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

INCENTIVE GRANT TO PRINCE ALBERT PULP MILL

Motion No. 54—**Mr. Burton:**

That an Order of the House do issue for a copy of all letters, communications, reports, memoranda,

or other data in respect of the incentive grant to be paid to Prince Albert Pulp Mill Company Limited and showing what amount of grant has been authorized and what amount of grant has been paid and on what date or dates payment was made.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Mr. Speaker, this motion is acceptable, subject to obtaining the usual consent of the province concerned, and with the reservation that any correspondence or documents, the publication of which would be detrimental to the competitive position of the company, be excluded.

Motion agreed to.

ORAL QUESTION PERIOD

ESTIMATES

AGENCIES ABSORBED INTO REGIONAL DEVELOPMENT ACTIVITIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Forestry and Rural Development It arises from the fact that the estimates tabled yesterday for the fiscal year 1969-70 show no separate vote for the Atlantic Development Board and that projects formerly listed under the Atlantic Development Board vote are now to be found in departmental estimates. I would like to ask the minister whether the government is liquidating the Atlantic Development Board and absorbing its activities into the proposed new department simply as departmental activities?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, as I said before in the house, the functions of the Atlantic Development Board will probably be absorbed by the department and the credits which would normally be affected to the Board will go to the department. If ever the house decides otherwise, it will be easy to make an adjustment.

[*English*]

Mr. Stanfield: In other words the Atlantic Development Board is being liquidated and terminated as an administrative agency?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I think that only the bill will give clear indications about that.

[*English*]

Mr. Stanfield: As a further supplementary question, Mr. Speaker, with regard to the same estimates and the work of the minister's department, are we to assume that, since the projects under ARDA and ADA are now listed under departmental operations, these agencies are also being absorbed into the administration of the proposed new department and that these programs, in particular ARDA, are being eliminated as such?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, with respect to the administrative functions of those various bodies, I think it can be deduced from the estimates that they will come directly under the department from now on.

As for the duties assigned to those agencies, as I said they will be outlined in the provisions of the basic legislation governing the department.

[*English*]

Mr. Stanfield: Mr. Speaker, I wish to ask one further supplementary question. In view of the apparent liquidation of the Atlantic Development Board, the apparent changes under way with regard to these other programs, and the uncertainty and the void that now exist, will the minister undertake to make a full statement within the next day or so as to precisely what the plans of this department are, how these matters are to be handled and how the fight against regional disparities is to be undertaken?

Mr. Marchand (Langelier): Mr. Speaker, I am going to make a full statement when the legislation is introduced in the house—

Mr. Stanfield: When is that?

Mr. Marchand (Langelier): —and I hope this will be in a very short while.

Mr. Thomas M. Bell (Saint John-Lancaster): Will the minister assure the house that this action is not punishment against the Atlantic provinces for voting against the government?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Inquiries of the Ministry

INCREASED EXPENDITURES FOR PROFESSIONAL AND SPECIAL SERVICES

Mr. David Lewis (York South): Mr. Speaker, I have a question arising out of the estimates tabled yesterday which I should like to direct to the President of the Treasury Board. It arises out of the fact that there is a 20 per cent increase in the estimates for professional and special services, from some $327 million to some $397 million. Could the President of the Treasury Board explain to the house the reason for this 20 per cent increase in that item relating to professional services outside the departments?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think it would probably be more satisfactory if the hon. member were to put these questions in relation to specific departments when the programs of the individual departments are being considered in committee.

Mr. Lewis: Well—

Mr. Speaker: Order, please. Without wanting to interrupt the hon. member in the line of questioning which he intends to pursue, I wish to say I have some doubts whether it would be in order at this time to question all the items in the estimates. I have some serious doubts as to whether this can be done according to our rules, but this having been said I will allow the hon. member for York South to ask a supplementary question.

Mr. Lewis: Mr. Speaker, I am not asking this question about specific departments. This might suit the minister better, but I do not think that is the point. May I ask the minister whether this very huge increase in outside professional services is due to the freeze on entry into the public service itself, so that work now will have to be done outside the department which otherwise could have been done by personnel inside the department, if those personnel were engaged?

Mr. Drury: The policy in relation to engaging outside services is in each case a judgment as to how the work can be done most effectively and most economically. There is no general rule either that individuals must be hired to do work within the government service, or that the work must be contracted out.

Mr. Lewis: I have another supplementary.

[Mr. Speaker.]

Mr. Speaker: Order, please. I must again remind the hon. member for York South that it is not open to hon. members at this time to go into all the detail of the estimates and ask why there has been an increase or decrease in certain of them. That might lead to a rather complicated question period. I do not think this type of question is in order, but again I would allow the hon. member to ask a supplementary.

Mr. Lewis: Mr. Speaker, if it is your ruling that I should not, I will not; but with very great respect to you, sir, I am trying to find out something that is applicable to all the departments which, under the new régime, I will never have the opportunity to do, since the estimates are to go to the standing committees. The further supplementary I had intended to ask the President of the Treasury Board is whether as a matter of policy Treasury Board enters into the question concering whether outside or inside professional services would be more economic and would be to the advantage of the government and the people of Canada, or is this a decision made by each department?

Mr. Drury: Mr. Speaker, in cases where it lies within the administrative competence of the department to make a judgment, such judgment is made within the department. Where in order to secure authorization there has to be reference to Treasury Board, the judgment probably is made by Treasury Board.

In reply to the first question I might point out that column 4, which I believe the hon. member has been reading, it appears could quite well contain an error.

Mr. Stanfield: Not another one!

Mr. R. Gordon L. Fairweather (Fundy Royal): Mr. Speaker, I should like to ask the President of the Treasury Board if the government has considered the necessity of these outside studies and reports to parliament, or is this a device to keep such information away from the chamber?

Mr. Speaker: The question asked by the hon. member is argumentative.

Mr. Lewis: Mr. Speaker, I rise on a point of order. In one of his answers the President of the Treasury Board said something about an error, which I did not entirely hear. Surely if in giving an answer there is an error, he ought to tell us what it is instead of leaving it

hanging in the air, as he did,—for what purpose I do not know. There must be some purpose which does not permit him to let the error be shown the light of day.

Mr. Drury: I did not say there was an error. I said there may be an error which I should like to check.

Some hon. Members: Oh, oh.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I have a supplementary question for the minister. Could this loosely be called, for example, patronage?

Mr. Speaker: Order, please.

[*Translation*]

EXTERNAL AFFAIRS

CANADIAN REPRESENTATION IN NATIONALIST CHINA

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question to put to the Secretary of State for External Affairs.

I have had recently the privilege of travelling around the world and I visited Taiwan. I noted that we have in Hong Kong and in Tokyo, for example, distinguished Canadian representatives, most charming ambassadors, and I am wondering why we do not have any such representation in Taiwan. Is the minister in a position to tell us if, eventually, Canada will have an ambassador or a chargé d'affaires there to welcome Canadians?

Mr. Speaker: Order, please. I remember that the same question was put very recently to the Prime Minister or to the Secretary of State for External Affairs, and I do not believe it need be asked again.

Mr. Caouette: Mr. Speaker, I have a supplementary question.

In view of your ruling that an hon. member has already asked that same question, I wish then to ask the minister whether or not the government has regular diplomatic relations with the government of Taiwan.

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. gentleman knows, when the Nationalist government of China retired to Taipei the Canadian ambassador did not follow. However, since the ambassador of China was already in Ottawa he did not have to move. That remains the situation.

[*Translation*]

OFFICIAL LANGUAGES

REFERENCE OF BILL TO SPECIAL TRIBUNAL

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to direct a question to the Prime Minister.

The Prime Minister announced recently that he would agree to submit to the Supreme Court of Canada the matter of the official languages. As judgments on constitutional matters by the Supreme Court of Canada have not always been recognized by all the provinces, would the Prime Minister agree to have the bill concerning the official languages referred to a special tribunal made up of judges appointed by the federal and provincial governments in order to obtain a decision acceptable to all the interested parties?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I would not object to any method that would result in reaching a prompt decision on this subject.

We are deeply convinced that the government should proceed urgently with the bill on official languages. It is our opinion that ours would be a strange country if it cannot be done, but we are agreeable to have the provinces refer the matter to the Supreme Court if they so desire. If the hon. member's suggestion were made by the provinces and if results could be more quickly achieved, I would not object to it, in principle. However, in my opinion, this would not be a more expeditious solution than the others and, as we deem this to be an urgent matter, I would not be inclined to readily accept the hon. member's suggestion.

Mr. Asselin: Mr. Speaker, I wish to put a supplementary question.

Along the same lines, could the Prime Minister tell us whether, during the federal-provincial conference, government representatives will be asked to consider the opportunity of establishing a constitutional court to discuss such cases?

Mr. Trudeau: Yes, Mr. Speaker. Where mention is made on the agenda tabled Monday of the institutions of federalism, we refer to the Senate and the Supreme Court, and that means there will be an open discussion on that matter. We believe that the constitutional court must be the Supreme Court, but other participants might want to suggest another one. We will listen to their representations in that respect.

Inquiries of the Ministry

[*English*]

Mr. Speaker: The hon. member for Malpeque.

Mr. MacLean: Mr. Speaker, I should like to defer to the hon. member for Oxford if I might.

THE MINISTRY

INQUIRY AS TO RESIGNATION OF MINISTER OF TRANSPORT

Mr. W. B. Nesbitt (Oxford): Thank you, Mr. Speaker. I should also like to thank my colleague, the hon. member for Malpeque. My question is directed to the Prime Minister. Has the Minister of Transport submitted his resignation as Minister of Transport, and if so has the Prime Minister as yet designated a successor?

Right Hon. P.-E. Trudeau (Prime Minister): I have not checked with my office but I will be prepared to do so after I leave the house.

RURAL DEVELOPMENT

P.E.I.—REDUCED SPENDING ON PLAN

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask the Minister of Forestry and Rural Development whether the government has arbitrarily decided to reduce spending in respect of Prince Edward Island economic development plans, as I understand has been stated by the Premier of Prince Edward Island?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, the estimates tabled in the house yesterday provide for the granting of $25 million a year to Prince Edward Island, subject to the signing of an agreement which, unfortunately, has not yet been completed. In my opinion, that is not a reduction but a considerable increase in our assistance to Prince Edward Island.

[*English*]

Mr. McQuaid: Mr. Speaker, has an agreement been reached between the governments of Canada and the province of Prince Edward Island as to how the cost of this proposed plan is to be shared as between the two governments?

Mr. Marchand (Langelier): Mr. Speaker, the whole agreement is still under negotiation. We hope to reach an agreement soon, but we are having some difficulty and I cannot report that there is an agreement as yet.

[Mr. Trudeau.]

ATOMIC ENERGY

REPORTED INCREASE IN RADIATION LEVELS

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. Having in mind the reported increase in radiation levels in a number of Canadian areas following the United States nuclear test of a few weeks ago, his Canada investigated the situation?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, National Health and Welfare officials have confirmed that radioactivity detected in air filter samples from Fort William, Toronto, Ottawa and Montreal increased between December 11 and December 15. No danger to public health was involved. Because of the small samples involved, it was impossible to determine whether, in fact, this increase could be attributed directly to the United States Schooner explosion test, which took place in Nevada on December 8. However, the coincidence with correspondingly higher levels reported in the United States some days earlier was brought to the attention of United States authorities.

No comment has been offered formally, but liaison concerning the levels of radioactivity is continuing. Because the higher readings could not be attributed directly to the schooner test, no formal representations were made to the United States authorities.

I should also point out that this test explosion was intended to explore possible peaceful applications for nuclear explosions in which Canada has been interested. The Canadian authorities were informed in advance of all details regarding the proposed test.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the President of the Treasury Board. In view of the fact that in the estimates tabled yesterday an allocation of $6,600,000 is provided for the acquisition of land where the international airport is to be built, and also that the Farnham authorities have made a proposal for the use of a tract of land which is federal property, does this mean that the town of Farnham has been rejected from the alternative sites considered by the Department of Transport, in respect of the location of the future airport?

Mr. Speaker: Order. I must remind the hon. member for Shefford that a similar question was asked yesterday by a member from another province and was declared out of order; I believe I must decide likewise in respect of the hon. member's question.

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR MEASURES TO CONTROL INFLATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in view of the recent statement by Mr. G. K. Bouey, an economic advisor to the Bank of Canada, that policies to cure inflation have not been working satisfactorily since early last fall, has the Minister of Finance and his department been working on new initiatives to control this inflation which has been increasing steadily since last September; and may we expect an announcement soon?

Mr. Speaker: Order, please. I must invite the Minister of Finance to be patient while I suggest that the question as asked by the hon. member is of a very general nature and of the kind which would require a statement during motions. I do not think it should be answered at this time.

Mr. Hees: Mr. Speaker, may I rephrase my question and ask the Minister of Finance what specific new proposals he has to make to the house to control inflation?

Mr. Speaker: I would have to make the same ruling on the second question.

EXPO '67

WRITING OFF OF MONTREAL AND QUEBEC INDEBTEDNESS

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to ask the Minister of Finance whether he or his deputies have received requests from the province of Quebec or the city of Montreal to be forgiven their share of the loss in respect of Expo 67?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I should like to say that I have not received such a request from the province of Quebec or the city of Montreal.

Mr. Hales: Does the minister know whether any of the debentures held by him from the corporation have not been honoured or paid?

Mr. Benson: I should like to take this question as notice, Mr. Speaker.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a supplementary question.

Did the authorities of the city of Montreal endeavour to get loans from the Bank of Canada so as to settle their financial problems?

[*English*]

Mr. Speaker: Order, please.

[*Translation*]

INCOME TAX

INQUIRY AS TO APPEAL BOARD

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of National Revenue in his capacity as minister responsible for the Tax Appeal Board. We have been advised today that the chairman of that Board has retired and it is implied that the Board could be abolished. Would the minister tell the house whether he intends to merge this Board with another judiciary institution, or what is going to happen to it?

Hon. Jean-Pierre Côté (Minister of National Revenue): No decision has been reached in this respect, Mr. Speaker.

Mr. Lambert (Edmonton West): Mr. Speaker, I wish to ask a supplementary question.

Can we expect an indefinite period of time to elapse before a new chairman is appointed or will the minister or the government announce within a few days what will happen to the Board?

Mr. Côté (Longueuil): The new chairman will be appointed soon, Mr. Speaker.

[*English*]

EXTERNAL AID

ASSISTANCE TO PEOPLE AFFECTED BY CIVIL CONFLICT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I am sorry I did not send notice of my question to the Secretary of State for External Affairs. On November 26 during the debate on the Nigerian war the minister told the house that the government would work toward a better international legal framework within which humanitarian assistance could be provided to people affected by civil conflict. In view of the many thousands of lives that might be saved if a solution could be found to this problem, I should like to ask the minister to tell the house of any progress made with regard to his undertaking?

Inquiries of the Ministry

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in an address I made to the General Assembly to the United Nations I referred to this matter. I should like to examine the records of the committee to which this question was referred, in order to give a complete answer to my hon. friend.

NORTHERN AFFAIRS

ROADS TO RESOURCES—INQUIRY AS TO RESUMPTION OF PROGRAM

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to ask the Prime Minister whether the government is considering the re-institution of the roads to resources program and, if so, when the house may be made aware of the decisions the government has reached?

Right Hon. P.-E. Trudeau (Prime Minister): There has been no policy decision made on this, Mr. Speaker. This is the kind of subject which will come under the authority of the new department to be created soon under the government reorganization act.

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON CULTURAL AGREEMENT BETWEEN CANADA AND FRANCE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, when can the Secretary of State for External Affairs give a report to the house on the implementation of the France-Canada agreement, including amounts so far spent by France?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I referred this question to my department, and I will make inquiries to see when the explanation will be available.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, I should like to ask the minister whether Brittany is included under the agreement? May I ask whether the Prime Minister or the Secretary of State for External Affairs has received correspondence from sources in Britanny asking for discussions with Canada, and requesting for Brittany equal status with the province of Quebec?

Mr. Speaker: I have some serious doubts as to whether the question should be allowed.

[Mr. Brewin.]

TRANSPORT

NORTHUMBERLAND CAUSEWAY—REQUEST FOR ALLOCATION OF FUNDS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, since the main estimates tabled yesterday contained no vote for the completion of construction of the Northumberland crossing, can the Minister of Public Works assure the house that items for this project will be included in the first supplementary estimates?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I think this matter was dealt with by the Prime Minister yesterday, and I have nothing to add to what he said. I think his words were that a decision would be taken in due course.

NATIONAL DEFENCE

NATO—WITHHOLDING OF FUNDS UNTIL COMPLETION OF REVIEW

Mr. Ed Schreyer (Selkirk): Mr. Speaker, since we have under way at the present time a genuine review of our foreign and defence policy relating to NATO, can the Minister of National Defence assure the house that the plans to allocate funds for the construction of permanent buildings at Canadian bases in Europe will be kept in abeyance until this review is completed?

Hon. Leo Cadieux (Minister of National Defence): Mr. Speaker, I am not aware of any such plans.

Mr. Schreyer: Mr. Speaker, will the minister assure us that he will look into the matter.

Mr. Cadieux (Labelle): With pleasure, Mr. Speaker.

LABOUR RELATIONS

REPORT OF TASK FORCE INVESTIGATING INDUSTRIAL RELATIONS

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to ask the Minister of Labour when we may expect the Woods commission report to be tabled?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, as I have mentioned on previous occasions, this question should be directed to the Prime Minister, since the disposition of the Woods report relates to his office. I can tell you, and I am sure he will agree, that it will not be tabled before the French version is completed. At the present

time the English version is up for translation. Provided it is the intention of the Prime Minister to table it, I would say it would be tabled some time in March.

Mr. Broadbent: Mr. Speaker, I should like to repeat my question to the Prime Minister.

[*Translation*]

EXTERNAL AFFAIRS

CANADIAN DELEGATION AT MEETING OF FRENCH SPEAKING COUNTRIES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct a question to the Prime Minister.

Can he tell us if the Canadian government has received an invitation to the conference of the French-speaking community at Niamey? If so, will the Canadian government delegation be similar to that which was sent recently to Congo-Kinshasa?

Right Hon. P.-E. Trudeau (Prime Minister): The answer, Mr. Speaker, is that we did indeed receive an invitation a few months ago, that we have discussed with the province of Quebec the make-up of a Canadian delegation, that we have, in fact, accepted the invitation and that the make-up of the delegation itself has not been definitely agreed upon. I know that discussions on this subject are taking place today in Quebec between provincial and federal officials.

As to the second part of the question, I will say that the delegation will not be similar to that of Kinshasa. In Niamey, the conference will deal with several subjects over which the federal government has jurisdiction.

Therefore, we intend to send federal ministers as delegates, as opposed to Kinshasa where the conference was on education, a subject which concerns only indirectly the federal government. That is why we sent officials there while all the provinces sent ministers.

[*English*]

FISHERIES

REQUEST FOR ANNOUNCEMENT IN HOUSE FOLLOWING MEETING

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Minister of Fisheries. Recently the minister has had discussions with representatives of the Atlantic fishermen and with government officials, and he promised an announcement. Will the minister assure the house that this announcement will be made on motions in the house and not through some other channels?

Hon. Jack Davis (Minister of Fisheries): Yes, Mr. Speaker.

GRAIN

DEMURRAGE CHARGES ON VESSELS AWAITING CARGO

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I would like to direct a question to the Prime Minister. Because of the difficult weather conditions in the fall and the difficulties with grain shipment arising from the weather, is the government prepared to accept the demurrage charges on the boats waiting in Vancouver?

Right Hon. P.-E. Trudeau (Prime Minister): The Minister of Industry, Trade and Commerce has been in Vancouver, since yesterday, I believe. He is there today and I understand it is his intention to make a statement on the whole matter when he comes back to the house tomorrow.

Mr. Horner: I have a supplementary question, Mr. Speaker. It is reported in today's Vancouver paper that the minister stated that the demurrage charges will have to be picked up by the farmers. I urge the Prime Minister to consider accepting demurrage charges.

RURAL DEVELOPMENT

ARDA—ASSISTANCE IN DRAINAGE PROBLEMS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. I should like to ask the minister whether the government has discontinued assistance through ARDA for rural drainage problems.

Mr. Speaker: Order, please. I have an impression this question was asked earlier during the question period, although I may be wrong. If I am, I would certainly invite the minister to reply to the question.

Mr. Rynard: Mr. Speaker, I dod not hear it and I do not believe it was asked.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, drainage programs are planned by the provinces.

Of course, there is a limit with regard to our financial contribution to that end. There was no provision for it in the estimates, and our policy has not changed in that respect.

Inquiries of the Ministry

[*English*]

FITNESS AND AMATEUR SPORT ACT

REQUEST FOR TASK FORCE REPORT

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to direct this question to the Minister of National Health and Welfare. In view of the herculean efforts of the Minister of National Health and Welfare to implant in all Canadians an idea of fitness through the formation of a fitness and sports task force, will he tell the house when the force is likely to report and what is the precise value of the off-the-cuff remarks now being made publicly by some of its members, such as the chairman, Dr. Rea?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I expect the task force report to be completed some time next month. I believe the remarks of Dr. Rea are helpful, but would not affect the report in any way.

Mr. Paproski: I have a supplementary question, Mr. Speaker. Will the minister see to it that the sports task force is fully apprised of its particular terms of reference, in order that something constructive may emerge to help young athletes in Canada and give them a feeling that the government is really behind them?

Mr. Speaker: Order, please. The hon. member is making a submission and a representation to the government.

[*Translation*]

AIRPORTS

QUÉBEC—INQUIRY AS TO NEGOTIATIONS RESPECTING LOCATION

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, I should like to direct a question to the Minister of Forestry and Rural Development, who is responsible for regional development.

Since regional economic development will play a leading part in the selection of the site of the future Montreal international airport and since that aspect of the question was often raised by the Quebec provincial authorities, does the minister intend to have consultations with those authorities in the near future?

Mr. Speaker: The hon. member is asking his question in the form of a representation. I must remind him that it is quite similar to the one asked by the hon. member for Shefford. Should I be mistaken and should the hon. member deem the question urgent, it could be easily discussed at the time of adjournment tomorrow evening.

Mr. Forest: Mr. Speaker, on a point of order.

My question is not similar to the one asked by the hon. member for Shefford. I believe those negotiations could take place before long and that it would be urgent for the minister to answer it.

Mr. Speaker: If there is a difference between those two questions, we shall not discuss the one from the hon. member for Shefford tomorrow evening.

[*English*]

HOUSING

FURTHER REQUEST FOR ASSURANCE RESPECTING URBAN RENEWAL PROGRAM

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the right hon. Prime Minister and it arises out of the answer given the other day by the Minister of Transport regarding urban renewal programs. If I recall correctly, the minister could not give the house any assurance that there would not be cut-backs with respect to urban renewal programs that have already been started. I was wondering whether the Prime Minister can advise this house whether the government intends to make a statement as to its future role in urban renewal programs that have already been commenced. I ask this question because the answer that was given to me has left a number of municipalities hung up in the air as to the future of programs that they have already started.

Right Hon. P.-E. Trudeau (Prime Minister): I will take it up with the minister and see if I can add anything to what he said.

OFFICIAL LANGUAGES

ALLEGED INJUSTICES AFFECTING COMMISSIONAIRES FROM NATIONAL MUSEUMS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State. I would like to ask the hon. gentleman what steps he is taking to deal with the injustices done to Corporal Walsh and Corporal Clark, both in terms of loss of wages and

rank, following their removal from the national museums.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the hon. member and I are not getting our information from the same source. I am not aware that either of the two persons he has named would have lost his rank or salary, except that for one of them it could have been possible to have a salary reduction if he refused proposed employment in his own place of residence and insisted on working in Ottawa.

According to the last report I have received, this possibility existed. I would ask the hon. member to tell me where he got the information leading to his assertion because, according to the chief of the corps of commissionaires, no commissionaire lost any salary or seniority or rank as a result of transfers that were made.

[*English*]

Mr. Dinsdale: I have a supplementary question, Mr. Speaker. Could the Secretary of State inform the house whether he is still insisting on bilingualism for these war veterans, even though their jobs have to do exclusively with security.

Mr. Pelletier: I cannot be still insisting, Mr. Speaker, because I never did.

Some hon. Members: Hear, hear.

Mr. Speaker: The hon. member for Waterloo.

Mr. Dinsdale: A supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member's supplementary is just a bit late. I have recognized the hon. member for Waterloo.

DRUGS

MACE—TESTS TO REVEAL POSSIBLE DANGERS

Mr. Max Saltsman (Waterloo): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Has his department been conducting tests in connection with the chemical called MACE and, if so, is he prepared to publish a report on the dangers which may be connected with the use of this chemical?

Mr. Speaker: I would suggest the hon. member place this question on the order paper.

Mr. Saltsman: May I rephrase my question and ask the minister whether he would be prepared to make a statement in connection with tests which his department may be conducting in this regard?

Hon. John C. Munro (Minister of National Health and Welfare): I would have to take that suggestion under consideration, Mr. Speaker.

[*Translation*]

NATIONAL DEFENCE

TALKS BETWEEN CANADIAN AND FRENCH MILITARY PERSONNEL

Mr. René Matte (Champlain): Mr. Speaker, I should like to direct a question to the Minister of National Defence.

Is the minister considering making a statement to the house as a result of recent discussions between General Allard and the French military authorities?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I think I have already made a relevant statement on this subject.

[*English*]

FINANCE

REFORM IN MECHANISM OF INTERNATIONAL EXCHANGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether it is the view of the government that existing international monetary arrangements are satisfactory, if reinforced by appropriate domestic policies on the part of the various countries, and that further reform of the mechanism of international exchange is not urgently required?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I thought I had made my views on this subject fairly clear in a statement I made earlier. I believe the hon. gentleman is referring now to a statement made by the Governor of the Bank of Canada. We believe the existing system is working pretty well. There is continuing consultation taking place with respect to changes in it. However, we do not believe it would be to the benefit of the world monetary system if another Bretton Woods conference, for example, were called, because it would simply cause further speculation. We believe, rather, that within OECD, the Group of Ten and the governors of the central banks, continuing exchanges should go on with regard to the international monetary system.

Inquiries of the Ministry

Mr. Stanfield: I should like to ask the minister, without pressing him to divulge confidential information, whether the Government of Canada is promoting any specific reforms in specific areas of international currency arrangements with a view to improving the international monetary system? In other words, are the minister and his associates simply entering into general discussion or is the government of Canada advancing a specific point of view in this regard?

Mr. Benson: Without disclosing any confidential information I can say there is continuing consultation with other western nations through the existing streams of communication which are available to us.

Mr. Stanfield: I wonder whether within a reasonable length of time the minister would be prepared to make a statement on motions with regard to the official position of the government of Canada in connection with the present international monetary situation and the steps which might be taken and properly pursued by this country to strengthen international arrangements.

Mr. Benson: I have made statements in this regard both inside and outside the house. However, I will be pleased to consider the suggestion made by the hon. gentleman.

HOUSING

REMOVAL OF TAX ON BUILDING MATERIALS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Finance. It arises from a statement attributed to the Minister of Transport in Vancouver yesterday to the effect that the Minister of Finance might juggle a future budget so as to eliminate the 11 per cent sales tax on building materials. Will the Minister of Finance tell us whether the elimination of this tax is now under active consideration by the government?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

Mr. Carter: A supplementary question, Mr. Speaker. Bearing in mind earlier statements by the Minister of Finance that the government may not bring in a budget until the spring of 1970, will any action on the financing and taxation recommendations of the task force have to await the presentation of a budget?

Mr. Benson: Mr. Speaker, the basic assumption was wrong.

[Mr. Benson.]

BUSINESS OF THE HOUSE

Mr. Stanley Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, in view of the fact that there has been an agreement to alter slightly today's program, I wonder whether the President of the Privy Council would not make the new arrangements known to everyone?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I am glad to learn there has been agreement on this point. The suggestion is that after the Minister of Finance and perhaps a spokesman for each party have taken part in the debate on the bill to amend the Income Tax Act and the Estate Tax Act, we should then adjourn the discussion and proceed with the bill concerning the Prairie Grain Advance Payments Act. If there is general agreement on this point, perhaps we could make an order of the house now to that effect.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

GOVERNMENT ORDERS

INCOME TAX ACT AND ESTATE TAX ACT

Hon. E. J. Benson (Minister of Finance) moved second reading and reference to a Committee of the Whole of Bill C-165, to amend the Income Tax Act and the Estate Tax Act.

He said: First, Mr. Speaker, I should like to indicate, with deference to the hon. member for Red Deer (Mr. Thompson), that it was my intention at the beginning of my speech this afternoon to clear up any misapprehension which may have arisen in connection with my answer to a question on the late show last night. I was not trying to suggest that members opposite were not interested in the estate tax and that they had not made representations in writing. But the letters simply had not come to my attention at that point. As a result of a search this morning I found there were eight letters from members of the Official Opposition, as I indicated was the case.

Mr. Stanfield: You can only see red ink, now.

Mr. Benson: Most of the red ink is on the other side of the house.

During the three month period since reform of the estate and gift taxes was announced in the budget, the country has engaged in a lively debate about the government's proposals. Some of the argument has been misleading and destructive, such as the expensive advertising claiming that the legislation means the end of family farms and small businesses, or that the whole thing is a communist conspiracy. This is just not the case. But there have been many constructive arguments. With some exceptions, Members of Parliament have tried to sift fact from fiction. They have tried to influence the government to legislate in the best interests of their constituents. This constructive attitude means, I believe, that most members and most Canadians recognize that the proposals represent a reform. They recognize that while we are retaining the estate tax, we should change the structure of exemptions to help widows, widowers and young children.

At the start of this discussion on second reading I want to describe to hon. members some of my reactions to the public debate. My mail and the discussion inside and outside parliament convince me that the criticism is far out of proportion to the impact of estate taxes. Ninety-five per cent of Canadians never pay any estate taxes at all, and we expect this ratio to stay about the same in the future. As for those 5 per cent who will pay some tax, more than half of the revenues are collected from estates valued at $500,000 or more. I can only conclude that much of the confusion and criticism results from misrepresentation of the government's proposal, though not all, of course. Some individuals have looked at the tables and concluded correctly that certain estates will pay more tax. For others, the October announcement may have been an emotional shock which forced them to think about their estate situations for the first time in their lives. Some mail I have received indicates clearly that a number of the writers thought there was no estate tax in Canada before last October.

• (3:10 p.m.)

My second reaction is that a good deal of the opposition stems from the view held by some persons that there should be no estate tax at all. These persons and groups condemn the proposed reform, but few suggest a return to the old system. They seem to want to have their cake and eat it too. They are not the government and they do not have to raise the funds to pay for the expenses of the state in creating an economic climate in which business can survive. Therefore they are seemingly unworried about the revenues that would be lost through abolition of the estate tax.

More than $200 million a year is raised through the estate tax and provincial succession duties. Some critics might argue that we could do away with this kind of tax if governments tightened their belts and reduced spending by this amount. Our conclusion as a government is that the estate tax is a fair and equitable part of our total tax system regardless of the amount of revenues we need.

This is because governments have at their disposal only two forms of taxation which are progressive. By "progressive" I mean a tax which can be weighted to take relatively more money from the wealthier persons in our society and relatively less from the poor. The two progressive taxes are the income tax and the estate tax. The rising demand for services from all levels of government makes it unlikely that the total revenues of government can be reduced. Therefore those who would abolish the estate tax and gift tax must produce a satisfactory alternative to raise more than $200 million for governments at the two levels.

We estimate that to raise about this amount from roughly the same group of persons who pay the bulk of estate taxes, that is, those with incomes over $10,000, would require a 15 per cent income surtax. If, instead, we raised this amount in income taxes from those whose estates are over $500,000 we would have to double their present income tax. Before proposing an end to estate taxes, abolitionists should produce a convincing argument that increases in income taxes of this dimension will not adversely affect incentive, will not speed up our brain drain and curb our rate of capital investment.

Perhaps the abolitionists would prefer that the same revenues be raised from all income groups instead of from those who pay most of our estate taxes now. At present fewer than 5 per cent of the population pays any estate tax. To spread the cost of this revenue loss to all taxpayers would, for instance, require an estimated increase of almost 1 per cent in the social development tax.

Mr. Stanfield: Would the minister permit a question? He may have given this information already; if so, I regret asking him for it. Could the minister tell us how much revenue he expects will be lost by the concessions that

he has made with regard to intramarital transactions?

Mr. Benson: I think I made this clear previously both in the house and outside the house. The change in estate tax is designed to raise exactly the same amount of money that was raised before. There is a change in the burden of estate tax but the revenue will be exactly the same.

Mr. Stanfield: I understand that, but would the minister indicate how much revenue he has to make up as a result of granting these proposed exemptions in respect of gifts to wives and the other additional matters?

Mr. Benson: I do not have this information in front of me though I have seen it. I will be pleased to give it to my hon. friend before this debate is over. But I should point out that the changes in estate tax are not designed to take more money out of the Canadian economy. What they are designed to do is to help widows, young orphaned families and disabled children, and other people will have to pay for this. So there is a shift in the burden.

There are other reasons why an estate tax is desirable. Nowadays it is an integral part of the taxation system of most western countries. Our two major trading partners, the United States and Britain, raise a larger portion of their total government revenues from inheritance taxes than does Canada. Despite the opposition of a vocal minority through the years, the majority in all these countries consider it a fair tax.

In Canada, where about seven million persons pay income tax, it is fair that the relatively few who have accumulated the greatest wealth should contribute at death to the common good of our country. They are usually the ones who have benefited most from the collective effort of Canadians to build a strong economic and political system.

Federal abdication from the estate tax field probably would not result in their abolition in all ten provinces. Royal commissions in Ontario and Quebec, where two-thirds of our population resides, have recommended their continuation in one form or another. The provinces now receive about three-quarters of the money we collect through estate taxes. One should consider the provincial revenue requirements at this time before engaging in any wishful thinking about the total abolition of death taxes in Canada.

There has been a good deal of discussion recently in the prairie provinces about inheritance taxes. One province has abolished them, another is committed to doing so and a third is apparently considering such a change. Following their weekend meeting, the premiers of the three provinces sent a telegram asking us to postpone legislative consideration of this bill pending consultations with the provinces.

I would like to place on the record my reaction to these various developments. In provinces where the tax is refunded any changes in the federal law will not affect provincial revenues. A federal-provincial conference has been held since the reform was announced last October and there has been a good deal of criticism of our putting off introduction of the bill from October till the present time. At that federal-provincial conference I indicated that interested provinces would have every opportunity they desired to raise the subject with me. There was also consultation concerning the estate tax following publication of the Carter royal commission report on taxation.

I believe that this government has always made it clear to the provinces that any changes must first be proposed to parliament. In taxation matters in Canada we cannot go to the provinces and say that we are going to make these changes before we tell the parliament of Canada. Our responsibility is first of all to the members of this house. To do otherwise in our system of responsible government would, I believe, be improper.

Once the government decided to retain the estate tax it had to decide whether the tax was being levied in the fairest possible way. It considered, but rejected, the recommendations of the Carter royal commission on taxation which would have doubled the revenue from taxation of inheritances.

Mr. Broadbent: Why?

Mr. Benson: Why? Because we decided that a buck is not a buck is not a buck. Instead it decided to keep the revenue yield about the same while instituting reforms to help widows, widowers and young children in this country.

• (3:20 p.m.)

On this point I was interested to read a report yesterday, I believe, which said that the United States treasury department has proposed that in the United States action be taken similar to ours to allow tax free transfers between spouses in that country. The

reform to exempt from taxation transfers between spouses is most significant for widows. It recognizes the contribution wives make to the accummulation of a family's wealth, but it also does much more. It helps to take care of a social need. On average, wives outlive husbands by at least seven years. If the husbands are Members of Parliament the wives probably outlive them by 10 years or even 20 years. In half the cases where estate taxes are collected there is a surviving widow. Most of us know of families where the father has died and the children have had to leave school early because there is a lack of money in the family. The reform removes any influence the estate tax may have had in these unfortunate situations. Annuities left to widows will now bear no federal estate tax. We expect this change to take on increasing importance in future years because of the tremendous growth in pension plans as well as the increasing benefits that will accrue under that excellent piece of legislation, the Canada Pension Plan.

Besides the basic $20,000 exemption for all estates valued at more than $50,000, a new exemption of $10,000 is provided for all adult children, that is, for children 26 years of age and over. For all healthy children receiving bequests of $10,000 or more there is an extra $1,000 exemption for each year the child is less than 26 years of age. This means that a healthy child under one year of age might receive an exemption of $35,000. For an incapacitated child, that is, a child which is unable to support itself, the total exemption may be as much as $80,000.

May I give some examples of how the new exemptions will work. First of all, certain estates left to widows are exempt. If a husband died—he would be a father—and had four children whose ages were 18, 16, 14 and 7 years, he could leave $105,000 on which no estate tax would be levied. He could leave that on top of any amount he might leave to his widow.

I think there is no quarrel about helping widows and small children. A good deal of the criticism about the reform, indeed, about retaining estate taxes at all, centres upon its effects on family businesses and family farms. Some groups have suggested total or partial exemptions for these kinds of enterprises. We believe this is not reasonable and I wish to explain our thinking at some length at this time.

During his lifetime the farmer or the small businessman benefits from government programs and from the general well-being of the country as much or more so than the salary or wage earner benefits. Once exceptions are made for one group in society other groups feel aggrieved and demand the same privilege. Special privileges can also cause distortions in the effects of a tax system. Exempting farms, for instance, would encourage land buying by wealthy non-farmers seeking to avoid the payment of estate taxes. A development of this kind would only add to our difficulties with land speculation in the country and especially around our major urban areas.

An estate tax may place a special burden on estates in which the major assets are not liquid. I admit that. But how great is the burden? Let us consider a case where the impact is most severe, where a father leaves an estate directly to one son without any use of the $2,000 annual gifting provision prior to death. In that case the father would not have availed himself of provisions allowing him to sell the farm or the business to his son, something many fathers do when they contemplate passing their property on to a son. In the worst case, and we are considering a $200,000 estate—that is a net estate; after provision for all liabilities have been made the estate would be worth $200,000 in cash—the tax would be $43,200, or slightly less than 22 per cent of the value of the business. This falls well within the bounds of liabilities assumed by many Canadians as a matter of course. I do not think anyone would acquire a $200,000 business without assuming a liability against it of at least $43,000. By way of contrast, when a business is purchased, or if a farm is sold, it is normal for the incoming or new entrepreneur to assume a liability against that business or farm totalling 75 per cent of its worth, as against the 22 per cent tax liability that must be assumed by those inheriting businesses or farms under the worst conditions where the inheritance is worth $200,000 net.

Mr. Horner: The government's credibility gap is growing all the time.

Mr. Benson: I said that the $200,000 was net. But even the 22 per cent tax arose from an extreme example because in that case it was assumed there were no liquid assets in the estate at all. That example assumed that there was only one child. Usually there would be some cash—for example, the proceeds of an insurance policy. Two or three would be a more usual number of children. For farmers, perhaps three adult children is a more typical

example. For farmers with three children the proposed tax is lighter than before until the estate exceeds $160,000. With four children, it is lighter until the estate exceeds $210,000. And with five children, it is lighter until the estate exceeds about $250,000.

About eight out of ten estates on which taxes are paid, are valued at $160,000 or less in Canada. About nine out of ten estates are valued at $200,000 or under. When you consider that taxes are collected on fewer than 7,000 estates each year, and that for families of three or four children the new taxes are less under these amounts, it becomes clear to me, at least, that this is a good reform in the estate tax field. Surely this puts the lie to claims that the changes will adversely affect hundreds of thousands of Canadians or that we have doomed the family farm or family business. That is just not the case.

Since the October budget there has been sincere concern that some might find it a hardship to pay estate taxes in one lump sum. Provision has always existed under the estate tax law for the Minister of National Revenue to permit payment of the tax by instalments in cases of hardship.

We knew there were only about 40 applications in the past ten years for permission to defer payment.

Mr. Horner: At what rate of interest?

Mr. Benson: It was at 5 per cent.

Mr. Horner: Is it to continue at 5 per cent?

Mr. Benson: No, it will not continue at 5 per cent. The large number of representations led us to believe that perhaps there were persons who failed to apply because they thought they would be turned down or because they were unaware of the provision. So we now propose to permit anyone who chooses to pay, with interest, in six annual instalments starting six months after the date of death. The interest rates will be those current in the market. I might explain to my hon. friend that we do not want to make the deferment of estate tax payments an attractive investment for people. The intention is to take care of cases of hardship and not to encourage people not to pay their estate taxes and invest their money elsewhere because their money can bring higher rates of interest.

The complete exemption of estates valued at $50,000 or less has been restored partly because of the confusion in the minds of holders of small estates created by misleading advertising. The new exemptions for close dependents meant that these estates would have paid little or no tax anyway. But there were some widespread claims that all estates worth more than $20,000, the basic exemption level, would be taxed. This change does not harm the basic principle of the reform and, I believe, has set many minds at rest.

To ensure that nobody suffers from the transition to the new from the old system, the Department of National Revenue is levying taxes according to the exemptions, old or new, which favour the estate during the interim period.

• (3:30 p.m.)

I know of no tax, Mr. Speaker, which has achieved universal popularity.

An hon. Member: I wish I would have said that.

Mr. Benson: All taxes have advantages and disadvantages for politicians who propose them. As I said earlier, the estate tax is one of our two progressive taxes. I believe in progressive taxation because it puts the burden to pay on the people who can afford to pay.

Hon. Marcel Lambert (Edmonton West): It is not my purpose this afternoon, Mr. Speaker to engage in a polemic with the Minister of Finance (Mr. Benson) on the subject of the desirability or otherwise of progressive taxes in a country that requires capital but has not accumulated capital. I suppose this could be deferred to some other occasion, but I understand from the minister's remarks that there is in these tax proposals more than just a grain of belief in the philosophy of spend now and be merry, for tomorrow when you and your wife die the government will take it from you. In other words, one could say: Don't save, don't invest, don't be successful, because the government will take it from you when you die.

An hon. Member: How can they take it from you when you die?

Mr. Lambert (Edmonton West): I am not going to engage in the whys and wherefores, but I think Canadians must take cognizance of the attitude of this government. The government encourages small businessmen to devote their abilities for 16 or 18 hours a day in order to be successful. The penalty of success, according to the government's philosophy, is ulcers and high blood pressure.

I cannot subscribe to this philosophy. I am certain a great number of members on the government side who are successful in their personal businesses have acquired ulcers and high blood pressure. However, they have not done this in order to have the rewards taken away from them. When these people die their children, who may have worked with them, will be heavily in debt.

Mr. Otto: When you are dead you are dead.

Mr. Lambert (Edmonton West): The hon. member for York East (Mr. Otto) says, "When you are dead you are dead".

Mr. Otto: And they cannot take it from you.

Mr. Lambert (Edmonton West): No, but it is strange that people are still interested in developing. When a person dies and it is necessary to sell assets in order to pay taxes, the absentee home owner steps in. Let us look at the province of Saskatchewan. In southern Saskatchewan much land is owned by individuals or corporations from the United States and is no longer part of the tax base available to the Canadian government. The tax base becomes narrower as more Canadian assets become foreign owned. That is a consideration which escapes many hon. members and the government.

Let us talk about the background of these changes. First we had the Carter commission report. The former Minister of Finance indicated he would table a white paper for study by the house and there would be some consensus as to changes of the tax structure. In so far as succession duties and assets are concerned the Carter report recommended they should be lumped on the basis of a buck is a buck is a buck. If a son took over a farm and received title to it on his father's death, it would be taxed as income at the marginal rate. The government has repudiated the position of the Carter report but has almost adopted one part of it. The minister said there will be a bill later this year to block out or to indicate the substantial changes to be made in the tax structure. The minister did not wait for that bill, and already the government has moved into an area where suggestions have been made that the minister has out-Cartered Carter.

I refer to some phrases used by the minister on October 22 last. The minister indicated that transfers of property by title as between individuals are not, at least for the moment, being included as income. I would very definitely underline the words "at least for the moment". Is this an interim step to fool Carter? The changes proposed by the minister would eliminate a doubly felt grievance and it is difficult to project their effect.

The minister has indicated he does not expect there will be any change with regard to the revenue which will accrue to the federal government. I wonder whether the minister will be as accurate in this forecast as he has been in others, not only as to budgetary deficits or balancing the budget but as to the size of the budgetary expenditures or the estimates figures he gave us on October 22. Now that we have the bluebook the lid is completely off. I pay very little attention to what the minister has said regarding financial effects or revenue changes. I suspect that because of inflation the calculations will be out of line and certainly far more assets will be hit by these taxes and the rates will be much higher than anticipated.

With all his fancy words this afternoon, I am certain the minister did not take into consideration the inflation factor. I listened to the minister talk about farms and farm operations. I would like him to visit my province and estimate the value of farms. He will see that all farms are not close to cities and being held for speculation. These farms are valuable on the market today. My colleagues from agricultural areas can speak and give first-hand knowledge as to the effect the proposed changes will have on farm properties.

• (3:40 p.m.)

Take the case of a man who has been a good farmer, has not been a spendthrift and has built up a productive farm. When the man passes his farm on to his son we load it with debt, and this is to be done for generation after generation. We forget that many capital expenditures have to be made by farmers in order to keep up with technological changes in the farming industry. Therefore this bill runs counter to the programs of the provinces, and even to programs of other departments of the federal government designed to develop viable farms and businesses free of debt.

With all deference, Mr. Speaker, to the man who operates a small corner store, a peanut wagon, a small business or small shop or what have you, I wish to say that is not what makes the wheels of the country go round. Once again a crushing burden is to be placed on a segment of Canadian society. We

are not concerned about the millionaires. They are few in number and are able to get excellent tax advice. They are able to go offshore, and this legislation will drive many more people offshore. There will be quite an exodus, and not only of those people whose assets are in seven figures. Other people will also say: If this is going to be done in Canada, we too will get out.

As a matter of fact, I have seen reports to the effect that estate tax rates in Canada will now be much higher on estates of $300,000 or more than rates on the same size of estate in the United States. It is true that such estates are not uncommon in Canada today, although certainly they are not a majority. As a result of the new estate tax rates people will be tempted to say to themselves: Once I have got it made I will get out.

Estates in Canada of $250,000 or even of $100,000 are not usually inherited wealth, certainly not in the provinces where a great deal of development has taken place. In the last 20 years many men in the province of Alberta who started out with a mortgaged property on which there was a large lien are today worth $250,000 or $500,000 simply because they had the guts, energy and initiative to work hard and become successful. Now we are going to penalize these people. This legislation is the greatest killer of initiative to be found. I speak as one who comes from that area of the country and I am sure the same holds true in many parts of Canada.

Yet the minister cites to us examples in Great Britain and the United States, both countries which have accumulative wealth. People in Great Britain exported their capital to the United States when the United States was in process of development. The United States is now exporting capital to Canada. We need capital. Yet when we ask Canadians to save, to invest in Canadian enterprise, when we tell them, "Don't spend, put your money to work," at the same time we tell them, "We will tax you because the more you save the more you have, and so the more we will take away from you."

I find this an extraordinary philosophy. On previous occasions when major changes in estate taxes have been proposed it has been customary to provide for some breathing space between the public announcement of the new policy and the actual implementation. For example, the present Estate Tax Act was first introduced, if I recall correctly, in late 1957 or early 1958. The bill was given first reading but was not proceeded with in order to give the public an opportunity to make representations concerning hardships and anomalies contained in the draft legislation. May I say that the estate tax principle was far ahead of the succession duty principle. Yet by these proposals we are abandoning the estate tax principle and going back to the succession duty principle in part. To me this is a regressive step.

The present act was reintroduced in parliament in the fall of 1958 and was passed on September 6, 1958. However, and this is a significant point, it was not proclaimed in force until January 1, 1959 in order to give both the professional advisers and the persons affected an opportunity to examine their situation and to make the necessary changes. It was applicable only to estates of persons who died on or after January 1, 1959. Thus, not only was the public made aware of the proposed changes and given an opportunity to seek improvements in the legislation but when the legislation was actually passed a further period was granted to enable persons to rearrange their wills and financial affairs to fit the new legislation.

There is no doubt that the present proposals contain radical changes in the Estate Tax Act, and the effective date of the proposals has been stated to be October 22 last. The minister made an announcement on January 31 and people were prejudiced as a result of the government not announcing for over three months an optional date for the coming into effect of the present proposals. I do not think it is fair to approach the matter in this way.

I remember the two-month period after the budget disclosures and prior to the minister's press release on December 27 when all sorts of things were bothering tax advisers. First of all, they could not tell anybody if they could include a common disaster provision in a will. This applies whether the will covers a $5,000, $20,000 or $100,000 estate. I suppose I should not use the figure $5,000 and instead say $25,000 because at that time the exemption was only $20,000. But it was unclear at that time whether these wills could include a common disaster clause. The minister cleared up this matter, but that was two months after the disclosure of the proposals.

Then there were questions concerning exoneration clauses and remarriage clauses which appear in, shall we say, 80 per cent of wills other than simple wills. Yet there was this delay. It is no wonder so many letters were received protesting the uncertainty that

this created. I do not know whether it was a design of this participatory government that this be done merely to excite the populace, create uncertainty and get them to debate estate taxation, but certainly the effect was very profound.

At the time the Carter report was published some comments were made by a well known tax commentator, I. H. Asper of Winnipeg. Instead of the derogatory remarks made by the minister with regard to Mr. Asper I find that what he says makes a great deal of sense. On December 12 he wrote as follows:

• (3:50 p.m.)

I commented at that time: "One is inexorably led to the frightening impression that the commission views all capital and income as being the property of the state and if one is allowed to keep a portion, it is purely a gesture of munificence from on high.

While this tone might be expected in a post-revolutionary emerging state, it is both unbecoming and saddening to see it urged upon a young country competing for world markets, seeking talented people, and constantly requiring risk capital, all to the purpose of sponsoring a dynamic and productive wealth-base."

The comment still stands and applies equally to Mr. Benson's proposed legislation.

The government claimed in its budget speech that it was not accepting the Carter concept. But it now appears to have out-Cartered Carter.

As of Oct. 22, gifts will be taxed, not at rates stopping at 28 per cent, but escalating to 75 per cent. Clearly the making of large gifts will stop.

And the $40,000 estate tax exemption is cut to $20,000, while the tax rates are steeply escalated so that the privilege of paying 50 per cent of one's life savings is achieved once one's estate reaches $300,000.

What is the purpose of these tax changes? Is it to accomplish an increase in government revenues? In the light of the budgetary problems facing the government one would have thought the budgetary proposals would be designed to provide more revenue for the government, but instead we have legislation through these estate tax proposals which is asocial. Yet this legislation, because it is introduced through a budget proposal, does not go to a standing committee and is not subject to comment by the public through representations. Other legislation, such as a broadcasting bill, a bill on drug prices or something else, would of course go to a standing committee and the people would have a chance to comment on it. But no, not in this case. Simply by raising the gift tax to a high of 75 per cent and imposing estate tax rates based on what a man has at his death plus what he has given away during his lifetime, the federal government has made it impossible for people to deal with their property freely at any time.

Since we have operated until now on a system in which private property rights are important, it is only right that any negation of those rights should not be achieved through tax law. I think these comments by Mr. Asper are legitimate. I do not intend to go into the details of the schedules and so on because we can take any kind of situation. We can find examples under certain circumstances where at a particular time it would appear that the tax payable today on the assumption of death in the future, assuming the values to be today's values and not the values at the time of death, is less under these proposals than under the present estate tax. But equally—and I have any number of examples—it would appear that the tax incidence will be much higher and much more punitive.

If hon. members will bear with me I might go through a typical example in business. The minister discussed the situation of a farmer with one child. He indicated how much tax would be levied on an estate with a net value of $200,000 in the case of a farm and indicated that there would be some $40,000 payable in estate tax and that this was a fair proposition for one son to take on. Of course that does not take into consideration how much the son may have worked on the farm. He may have worked for practically nothing for many years contributing to the farm and this is his reward.

Let us look at another example. Certainly in my part of the world and I am sure in the part of the world of many hon. members it is a typical example. Say that a father when he starts out saves his money. He has a job, saves his money and at age 35 is able to buy or found a company with a capital of $200,000. Assume that he had $50,000 himself and financed the remainder. This typical business could earn $40,000 per year before tax.

This man has two sons who have worked with him over the years. He himself draws a salary of $10,000 a year, pays tax on that salary and puts the remaining $30,000 in the company which is taxed in the amount of $17,000 per year. This leaves an income after tax for the company of $23,000. From this amount the father extracts a dividend of $13,000 on which even after dividend tax credits he is taxed. He leaves $10,000 in the business for expansion and uses his dividend

to pay the principal and interest on the $150,000 he borrowed to buy or finance the company. The interest alone, which is not deductible because it is his personal expense and not that of the company, is $13,350 a year at current lending rates.

The father and sons apply themselves, take low wages, work long hours, and increase the company's profit to $100,000 a year. This is not outstanding. Now the company is in the 53 per cent income tax bracket. Nevertheless, by hard work and by refinancing, one way or another, the business is paid for by the time the man is 60. In other words, it has taken him 25 years to pay for the business. For the next 10 years he extracts, say, $100,000 and then dies at age 70. He leaves $100,000 to his wife with which to buy an annuity, and the two sons inherit the business. It is now earning $150,000 a year before taxes. At present rates this would mean about $80,000 after taxes. Based on the estate tax valuation method used at the present time the business is valued at $800,000. Under the new estate tax the tax would be $340,000 on $800,000, 42 per cent of what is inherited. These sons are 45 and 50 years of age. They have accumulated no capital themselves because they took no salaries, retaining only their living expenses, because the extra funds were left in the company to help it grow. This is typical. The father had been running the show up to this time.

• (4:00 p.m.)

Mr. Drury: He had been giving them shares.

Mr. Lambert (Edmonton West): Yes, but under the present tax all the gifts he gave during his lifetime are brought into his estate, so whether the shares were given before or after death matters little because they are all brought into the same basket and the sons are no farther ahead.

In any event, the only way the sons can keep the business is by borrowing $400,000. They could then pay about $60,000 in income tax and the remaining $340,000 would cover estate taxes. It would not be the company borrowing the money to pay the tax but the sons borrowing the money so that as the new owners with personal responsibility they could pay the tax. Therefore the company which at the time of death was worth $800,000 clear would now find itself owing $400,000. All the sons would see ahead of them would be the prospect of spending the rest of their working lives taking low wages and paying 63 per cent in income tax and the rest of the earnings to pay back the $400,000 and at least another $400,000 in interest charges on the loan. Why should these boys not sell to foreign interests?

Let no one suggest that this is not being done. I know from personal experience how and why this is being done. It is being done because of the way Canadian tax law is being applied. Growing businesses are being sold to foreign interests. The heirs are quite prepared to take the capital gain they have earned. They take the $800,000, the proceeds of the sale, pay the $340,000 in estate tax and invest $460,000 in C.M.H.C. mortgages which pay 9.3 per cent interest. They then live comfortably on the income and never work another day in their lives. This is a typical example and I repeat, this is what is happening. Men in their forties who have worked day and night almost like demons for seven days a week to put together a viable business, because of the incidence of tax take the first good offer of a sale to foreign interests and then retire. What a shameful loss this is to this country. These people ask themselves the question, why should they be faced with this situation? They obviously decide to get out.

My criticism of the estate tax proposal is not that its greatest impact is on the very wealthy, and I made that clear at the beginning. What is the nature of estates in Canada? I am informed that in 1966, of about $900 million in taxable value of estates only 72 had assets of more than $1 million and that this total reflected 15 per cent. I suggest it is the small and middle-size estates that will be hit. In 1966, of 5,700 taxable estates, 4,694 or 82 per cent had taxable assets ranging from $50,000 to $300,000 and of these about 70 per cent were less than $100,000. Previously these estates were untaxed. They will now be subject to tax, although the number has been diminished tremendously by the changes proposed by the minister on January 30. These middle-range estates will feel the new rates the hardest.

We should not be concerned about any particular group of taxpayers caught by the provisions of this act. Our legitimate concern should be for all taxpayers. By far, however, the impact is much greater in respect of the broad strata of Canadians whose estates will exceed a net of $50,000 and reach up over $300,000. These are estates of independent businessmen, farmers and professionals, the broad middle class of this country. They are the ones to be hit by the estate tax and they also pay the heaviest income tax.

We must remember that estates are accumulated with tax paid dollars. These are the people for whom the minister has always expressed solicitous concern. We now see that this concern is a sham. I could quote from representations made by the construction association. In this field we find small contractors and large construction companies. Many of them are family concerns which will be adversely affected by these tax proposals.

I do not intend to go into detail about the changes proposed by the minister on January 30, but I should like to point out that on page 2 of the communiqué the minister refers to the $50,000 starting point and indicates in the third paragraph that this will mean, for example, that a small estate left by a brother to a sister or a grandfather to his grandchildren will not be subject to estate tax. In other words, if the estate is less than $50,000 the range of gifts is limitless. However, if the estate happens to be over $50,000 then one must look out because gifts other than those to a spouse will be subject to heavy tax.

Let me now refer to the question of instalment payments. We have been hoping to see this for quite some time. This is not the result of new representations. My colleague, the hon. member for Wellington (Mr. Hales), has had resolutions on the order paper for years in respect of instalment payments on estate taxes to avoid fire sales. The fact that there have been options open to the minister in cases of hardship does not alter the situation. The difficulties involved have been so great it was almost impossible for any estate to qualify, and there were very few which did qualify for deferment. I wonder how many companies were sold literally on a fire-sale basis and bought cheaply by foreign interests or larger Canadian entities? These fire-sales have taken place because the heirs to the estates had to pay estate taxes but had no liquid assets. If the minister would like to know what the effect is on estates which cannot be liquidated easily he should consider large farms such as those which exist in western Canada, or perhaps large companies existing in eastern Canada which are privately owned or closely held.

• (4:10 p.m.)

I want to terminate my remarks by saying that these proposals leave unanswered some very important questions. First of all, we have heard nothing from the minister, either by way of press release or in his speech in the house—and I trust the parliamentary secretary to the minister will note this point—as to how provincial tax credits will be handled. Has this been worked out? Second, what about foreign tax credits? Have these been worked out? Third, in view of the fact that a different philosophy has now been brought into play with regard to the estate tax, different in many ways from that prevailing with regard to the succession duty acts in the provinces of Ontario and Quebec, how can individuals living in these provinces be properly advised in arranging their affairs when the fact is that if they take a certain course of action under the federal proposals they lay themselves open to much heavier incidence of tax under provincial legislation, and vice-versa? There is no co-ordination.

As I have said before on many occasions, the tax structure changes that have to be made must be made not only on the basis of the Carter commission report and an ouija board here in Ottawa but must also take into account the proposals of the Smith and Parent reports on provincial taxation. These provincial reports affect two-thirds of the people in Canada. Surely to goodness we are going to compound the difficulties of Canada's taxation jungle if the federal government goes off on its own orbit and the provinces follow the bent suggested in their own taxation reports without the three of them consulting with one another to try to get some sense and purpose out of the taxation systems.

Lastly, what is the position in connection with estates in the province of Alberta? The minister indicated that action had been taken there. We know that, but it has come to my ears—and this is what I want to find out definitely—that it has been or it is the policy of the government to tax the refunds in the province of Alberta as a result of the elimination of succession duties on April 1, 1967, in that province. Are these refunds being taxed as revenues in the hands of the beneficiaries of the estates and, if so, on what grounds? I have not been able to substantiate these reports but I would like to know definitely whether this is being done.

There are a number of other points that could be gone into in detail, but we will deal with those matters at the time of the clause by clause study. A good number of my colleagues will have something to say about this bill, and many of them have made representations to the minister himself. As a matter of fact, at least one of my colleagues even made an appointment with the minister and told him to his face what was wrong with the act. Yet this was forgotten. My colleagues will

now tell him what they think from their seats in the house, and I hope that as a result some changes will be brought about so that more sense will be brought into the tax situation than exists at present.

Mr. Max Saltsman (Waterloo): Mr. Speaker, like most members of this house I have received an inordinately large number of letters on the subject of estate taxes. Not since Nosey Charlie appeared on the balcony have I received as much correspondence, some of which was perhaps no more relevant than the statement made by the aforementioned gentleman.

I come to this debate with a considerable amount of anger over what 5 per cent of our population is doing to the 95 per cent who do not have estates to worry about. I marvel at the fact that these people can make use of advertisements to frighten almost the entire population into believing that everything they have worked for or owned is going to be confiscated. This is a typical example of what has gone on in our society since the beginning of its history. The very rich who do not wish to pay taxes try to convince those who will not be paying them that their interests are alike, in other words, that the rich man is really and sincerely concerned about the poor man. The unfortunate thing about the situation is that so often these people are successful in their campaigns.

We have only to look through the newspapers to see what is being done. One would have thought from the advertisements and articles that have been appearing that every house and every car were going to be taken away. There has been no balance and no perspective in this whole debate. I took the occasion to make a personal call in reply to most of the letters that came to me because I knew some of the people who had written them. I could not understand their concern because I knew they did not have an estate that large, so what were they worried about? Some of them believed what they had read. Some of them had listened to one radio commentator who told them that 75 per cent of everything they had would be taken away. They also believed the stories that appeared in some of the farm journals and magazines that they would be deprived of the fruits of their work. When it was explained to them that the bill contains practically no change from the present law they were surprised.

I resent the people who spread this propaganda. They are full of cynicism in not standing up and making an argument giving the reasons why they should not be taxed. There is cynicism in trying to persuade and to make propaganda to convince those whose interests are not the same as theirs that they are in the same boat. I am angry at the Tweedledee and Tweedledum debate that has preceded this bill. One would think that the government has brought in some magnificent reform. What has it really done? Let us give it credit for some things that it has done. It has made it possible and universal that wives will not have to pay tax. This is a good thing, but is it really so new? After all, most estate planners made that provision for wives in the past. The government has made the tax somewhat more progressive at some levels but it has not altered the whole package. It has not increased the proportion of our revenues from this particular source but merely shuffled it around.

We are not asking who is more progressive in this debate as between the government and its nemesis in the opposition but who is most reactionary, because it is very hard to say on which side in this debate a reformer should stand. When I listen to spokesmen for the government I become incensed at what they are trying to palm off on the Canadian people as a worth-while reform. It is no such thing. It has made no major concession to the principle of equity. Then I have to listen to what is said by members of the Official Opposition, to the irrational arguments they have dragged out of the nineteenth century.

• (4:20 p.m.)

Mr. Lewis: The eighteenth.

Mr. Saltsman: When I hear these views I begin to feel sympathetic toward the government, not because I think the government is right but because I think it is being unjustly condemned for something which it really has not done.

Our position is simple to understand. We want to see some genuine reforms in the tax system. We want to see the government move along the lines suggested by the Carter commission. I would point out that the Carter commission did not go all that far. Many people have justly called its report a capitalistic document. It does not really reform the capitalist system but at least it recognizes the inequity of our present taxation laws, particularly in connection with estates.

The Minister of Finance (Mr. Benson) pointed out that had he acted on the basis of the Carter recommendations the revenue obtained from estate taxation would have been doubled. That is the position he should have taken instead of the kind of proposal we are considering now. I hear people crying because a poor, unfortunate child who inherits a million dollars will only be left with half a million. I know thousands of people who are not sure how they will be able to meet their rent obligation. They are taxed on every single thing they buy. I find it difficult to work up sympathy for the poor, unfortunate child who only has half a million dollars left after tax. At least a quarter of the population of this country is living in poverty. These people do not even know whether they can secure accommodation for themselves or their children and their prospects are not very bright. If tears are to be shed in this chamber, let us shed them for those who deserve them.

When the Minister of Finance introduced his budget I had the opportunity to present my views on his proposals. I said then I thought it was a very reactionary and regressive budget. It ignored the needs of the Canadian people. In that budget two items might have been singled out for neutrality at least, if not for praise. One of them was the arrangement to tax insurance companies in a more equitable fashion, something which had been overlooked for a long time. As it turns out, this has imposed no great additional liability on the insurance companies. The other item was the measure we are now considering making some adjustments in estate taxation. When I looked at this latter proposal I thought: it is the minister's concession to his conscience; he had to introduce this little reform just so he could live with himself after introducing that regressive budget. I did not think he deserved a great deal of credit for it, but at least I recognized this was what might have motivated him. As I say, I was not very sympathetic toward the minister because I did not believe he was entitled to sympathy after the kind of budget he had imposed on the Canadian people.

My sympathy began to move in his direction when I saw how unreasonable, how biased, the arguments were against this minor reform. It became impossible to stand aside without attempting in some way to defend this small measure. Let me give the house one example of the kind of advertisement which has been nationally circulated in this country. This one says:

> The new tax is represented as a concession to widows. They will no longer pay any tax when they inherit a husband's property.

That is very true. But it is significant that the advertisement makes no comment about this. It does not say how important this is. I believe that most men, when they have married and raised a family, are far more concerned about what the future holds for their wives than they are about the future of their children. After all, a wife is generally not that young when the husband goes.

An hon. Member: That is not very gallant.

Mr. Saltsman: She may be very beautiful, of course, but one cannot deny the facts. The children, on the other hand, have their lives ahead of them. If their parents have given them the opportunity to profit from a good education, if they have given them affection, understanding and a decent environment, they have surely done a great deal. The most important thing, therefore, is that the widow be left with some means of supporting herself after her husband goes to other fields—and, as has been pointed out, if he is a Member of Parliament he may depart sooner rather than later.

Mr. Lewis: And to a warm place.

Mr. Saltsman: Hopefully, not. It depends on what side of the house he sits on, of course.

The advertisement goes on to say that widows will not long outlive their husbands and that when they die estate tax is levied at sky-high rates to be paid by the heirs. I suggest that seven years is a reasonably long time. During this period the widow has complete use of the assets of the estate, and in this sense the legislation moves in the right direction.

I stated earlier that it is already possible with careful planning and the advice of people experienced in these matters to ensure that an estate is passed on in trust to the widow, enabling the wife to enjoy the advantages mentioned. What this legislation does is to make it possible even to those who may be uninformed as to what may be gained by employing tax lawyers.

The advertisement goes on to say:

> Many people think the new tax was designed to hit only rich men. This is not true. Most of its victims will be men or women in moderate circumstances.

In other words, the upper 5 per cent of our population is living in moderate circumstances. What, then, is to be said about the condition of the other 95 per cent? We are not really thinking here about people in moderate circumstances. People in moderate circumstances pay moderate taxes. We are really talking about those in other circumstances who are objecting to paying what should be considered a fair tax.

• (4:30 p.m.)

All of us, to some extent, take positions which arise from our experience and background. I have to admit that this is true in my case and that to some extent this debate has, for me, a personal aspect. It is also the case that my party has very strong feelings on this matter. We are a party that believes in equal treatment and fairness in the tax system, that each member of our society should be willing to carry his share of the challenges and responsibilities of that society.

Earlier I said that poverty in Canada has been carefully and incontrovertibly documented. We are not going to cure poverty by talking about it but by raising sufficient revenue to cope with it. What is necessary is a just and fair distribution of the resources of our society. We must have some sense of priority, of what is important and what is not important. I suggest to hon. members that the urgent need of society today is to find revenue to meet the needs of those people who are living at a level at which no human being should be asked to exist. These poor people are not to be blamed any more than the rich man is to be congratulated. I recall a famous cartoon that appeared during a United States presidential election campaign which depicted one of the candidates looking accusingly at a beggar and saying: "Well, it's your own damn fault for not having been born to a father who owns a department store." We may laugh at that sort of thing but we do tend to make this kind of value judgment.

It is not enough that the poor of our society inherit the disadvantages of their condition, that in so many cases these people are born with ill health or born into an unnecessarily harsh and unfeeling environment. On top of all this they suffer the disadvantage of having their needs ignored.

On the other hand, if the sons of rich men were never left any money they would be infinitely better off than the poor people I am talking about. First of all, they would be better cared for because their parents were in a position to care for them and had the money to do so. How much more advantage do we give to those who have already been born into advantage?

I have heard on many occasions about the terrible things that will happen to the poor if they are given welfare or are helped. They will, I think the phrase is, lose their backbone. It seems to be a terrible thing to give somebody welfare or something which he has not earned by working. What about welfare for the rich? It does not seem to affect their backbone at all. No one seems to worry that an inheritance of $500,000 will affect the beneficiary's backbone. These people must have a different kind of anatomy from the poor, and the chances are they will probably do less well with it.

Another assumption that is made, one which I heard argued in this house a short while ago, is that it almost seems as though the wealth that an individual accumulates is entirely due to his own efforts. No thought or consideration is given to the inputs of our social system. Where would the rich be unless they could move their goods to market, unless there were forces to protect them against fire and disasters of various kinds, unless people were trained and educated to operate their enterprises? People of initiative, people who work hard and build up businesses, are entitled to credit. But so is society, and let us not forget that. No man can build anything on his own. He does it with the assistance of his wife, the people who work for him and all those around him in this nation. Therefore we have to assume that he has some sense of obligation, of responsibility to those who have helped him and made his success possible. Is this so much to ask? Is this such a terrible thing?

Historically speaking, if we removed the words "estate tax" from this debate and substituted "corporation tax" or "income tax", we would find that the arguments were just the same. I was reading a debate which took place in 1917, I believe, when income tax was first introduced in this country. At that time the tax was very small but it was going to change our whole social system. Business was going to collapse, it was said. The world was coming to an end. The pools of private capital needed to develop this country were going to disappear.

Although it may be anarchy, is it so terrible to yell "communism" any more? After all, the Minister of Finance has been accused of being a communist in almost every journal in

this country, so I guess that makes it legitimate now. We have heard this argument before and it has been a bad argument. One would think that General Motors was run like a corner grocery store. Today most of the financing and capital accumulation in our society does not depend upon private pools of wealth. We are only kidding ourselves if we argue that we can advance this country by means of small private pools of wealth and therefore, so it is argued, can reduce taxation and people can keep everything they earn. It is just not that kind of world.

We in this party feel very strongly for people like small businessmen and farmers, who in some ways are in a special position in our society. The small businessman and the farmer are more than just economic units. I have never been a farmer but I have been a small businessman and I know that many small businessmen might be better off working for somebody else if they were to calculate the number of hours they put in. I speak now as one who has put in long hours, and perhaps even made some mistakes, and I can tell the house that I could have worked for somebody else and made more. However, it was my decision to make. Nobody told me to open up a business. Nobody came to me on their knees pleading with me to go into business. I went into business because I chose to do so and because I wanted that kind of life. But I have asked as a small businessman for what I think farmers are also entitled to ask, namely, that if my business has to be sold but my family, my children in particular, wish to preserve it, then an opportunity should be provided for continuance of the enterprise. This is the case in this legislation, as it has been the case in previous legislation. This legislation spells it out a little more specifically, and to that extent we have been given an advantage.

• (4:40 p.m.)

We must also remember that in trying to assist a very small number of legitimate claimants who will be allowed to spread their tax payments over a number of years we have made available to the very rich a concession they do not need. That is one of the dangers arising from blanket proposals and blanket legislation. Such legislation does not consider the needs of some of the more worthy social organizations of our society.

I ask, Mr. Speaker—and I ask with sadness even though I began speaking in anger—what kind of dialogue has taken place on this legislation? Why is there an absence of a real focusing on the issues involved in the taxation of estates? How the powers to be in our society have poured out their sympathies for the very rich! How they have cried their tears in a misguided cause while ignoring completely elements in our society that are most worthy of all the sympathy we can muster! I do not know how many in this chamber inherited wealth. From my knowledge of most hon. members I do not think many inherited wealth. Most of them made it on their own and they are none the worse for it. We talk about inheritance. Should we not be concerned to hand down to our children not money which they may or may not be able to keep and which may or may not make them happy, but a more just, more fair and more equitable society. This we can accomplish by taking an intelligent view of estate legislation. And our view must be more intelligent than the one we have seen demonstrated in this house.

Before I sit down I wish to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That Bill No. C-165 be not now read a second time, but that it be resolved that in the opinion of this house, the government should give consideration to a complete revision of the federal estate tax legislation with a view to making the rates of taxation under such legislation truly progressive and equitable.

Mr. Deputy Speaker: I shall put this amendment before the house with the caveat and postulate that it should be referred to Mr. Speaker.

Some hon. Members: Question.

Mr. McCleave: Before Your Honour recognizes the next speaker, may I ask the hon. member who has just sat down a question? How much thought has he, along with the other members of his party, given to the fact that some estates could be very liquid and thus able to raise estate tax money more readily than other estates? If he does not wish to answer the question now, perhaps one of his colleagues might answer it later in the debate. I think this is an important aspect to consider.

Mr. Saltsman: With your permission, Mr. Speaker, may I answer the question. We are very concerned about this matter. We do not wish to see estates liquidated any more than anybody else does. But I suggest to the hon. member who has had considerable business

experience that an asset is still an asset and that banks and other financial institutions are prepared to lend money on the security of assets. We are not talking about getting rid of assets. We are merely asking whether assets ought to be handed down unimpaired or whether they should be encumbered with a mortgage or a liability. Speaking for myself—and I make an open offer to anyone prepared to be generous—if anyone were to leave me $1 million and I had to encumber that inheritance with a liability of $500,000 I would gladly accept the inheritance, encumber it to that extent, and hold myself most fortunate.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, as I listened to the hon. member for Waterloo (Mr. Saltsman), I was thinking over his statement that he had not received as many letters of protest since the general's visit and his statement from the balcony.

In our case, perhaps we did not receive as many letters, although there are at present 400,000 unemployed in Canada of whom 200,000 are in the province of Quebec. As a matter of fact, we are receiving thousands of letters, not on account of estate duties, but rather about problems resulting from unemployment and the tremendous difficulties it is creating.

On the matter of the amendment now proposed by the government, and knowing myself its insatiable desire to increase taxes, I would be afraid that a proposal to review the present taxation system and the Estate Tax Act would be an invitation to levy more taxes. For this reason, I am somewhat reluctant to approve part of the amendment proposed by the Minister of Finance (Mr. Benson).

The proposed legislation has been a little improved in order to assist families. In other words, it is more or less what it was prior to October, 1968. That is why I hesitate a little to support that amendment. At any rate, I think the previous speaker has tried mainly to see in it a review of the estate duties that would result in the abolition of all taxation.

Consequently, as the members of the Ralliement Créditiste are opposed to any kind of taxation in Canada, we will surely approve this amendment, or the proposed review, by having the amendment referred to the appropriate committee.

While the hon. member for Edmonton West (Mr. Lambert) was speaking, I wondered why, when his party was in power—since he seemed to criticize the act as a whole—he did not ask that the Estate Tax Act simply be abolished. Since the hon. member seems to feel that we need such a severe tax system, he could at least have asked that the Estate Tax Act be handed over to the provinces; today, he would not have to criticize it.

Mr. Speaker, I should like, first of all, to point out to the Minister of Finance that we, of the Ralliement Créditiste, are opposed to any tax at all in Canada, and that the very fact of levying a tax on private estates discourages private enterprise. That is why we say that the Minister of Finance should seek another formula. Indeed, the Bank of Canada is at his disposal, and that is where he should turn to keep families from being choked systematically.

• (4:50 p.m.)

Unfortunately, as we are living under a tax-over-tax system, we must be content with it. It is coming to an end, anyway. We see that further pressures are to be exerted upon us since unemployment will be tolerated. As we must accept that system, we will support this amendment. We want the Minister of Finance to adopt it as soon as possible, for, had he levied a tax on $20,000 estates as he wished to do originally, through the October 1968 bill, he would have given the death-blow to many family enterprises.

The minister has seen fit to deal once more with the proposed legislation because we represent the official opposition from Quebec. I therefore conclude that he listened to the voice of the opposition, and that is the undeniable proof that we can be greatly helpful in this assembly.

Let me say also that I am in favor of adopting the amendment, which I shall read so that Canadian families will learn about this particular privilege which is, I think, the only really human aspect of the measure. So I quote from page 5 of the statement issued by the Department of Finance, on January 30, 1969:

> In the case of a legacy to a crippled child, wholly dependent, the proposals provide for an exemption of $1,000 for each year until he is 71 years old, over the basic exemption of $10,000.
>
> Therefore, the maximum exemptions are as follows:
>
> | | |
> |---|---|
> | Child in good health, over 25 years of age | $10,000 |
> | Child in good health, under 25 years of age | $35,000 |
> | Crippled child | $80,000 |

The human aspect is greatly important and we have said over and over again that we heartily support any amendment that makes a law more human and more logical. I think this lenient aspect will prompt parents to

keep at home the children who are not as lucky as we are and who cannot lead normal lives. The amendment will certainly benefit those families.

As for the amendment that provides that six months after the death, the unpaid sums must be paid in six instalments, I find it is only a way of getting the money little by little; besides, there will be interest on the unpaid amount. There is the risk that people with a small fortune, not seeing the urgency of the problem since they will have six months to pay, will probably forget about the urgency and will take, as they do now, a $50,000 or $100,000 insurance policy to cover the estate taxes. In the past, a person used to buy an insurance policy in order to pay the succession duties in one lump sum. I have noted that this legislation makes it possible to spread them over six installments and to pay them six months after death occurs. There is a danger that people will not be wise enough to buy an insurance policy on the life of the head of the family in order to pay off all those moneys, all those taxes levied by the government.

I wish to make another remark. When drawing up these amendments to the Estate Tax Act, the government forgot to return all those duties to the provinces. I have already referred to that point. If this had been the case there would probably be no need for discussing today the matter of succession duties that have been claimed for so many years by the provinces. Such an amendment would have enabled the federal-provincial conference, which is to convene in a few days, to open on the right foot, because the provinces, the same as the federal government, the municipalities, the school boards, etc., thirst for money. I am sure all hon. members would agree that succession duties must be transferred to the provinces.

I also regret that the government has not, in this amendment to the Estate Tax Act, exempted insurance brotherhoods. I think the government missed a good chance to help those organizations which are not taxed anywhere else in the world. They grew up on many sacrifices for the purpose of helping our people and they are going to be smothered by the new tax. I am really disappointed that provisions concerning brotherhoods were not included, as we had requested, in the amendment to the Estate Tax Act.

Finally, I have just read a newspaper article stating that, by a quick calculation, it can be concluded that the government will suffer a loss of $15 million by adopting the proposed amendment. As everybody knows, problems resulting from lack of money will continue to exist for all federal and provincial governments, as well as for school boards.

What is the solution then? I gave it at the beginning of my remarks, when I recommended that the Bank of Canada be put at the service of Canadians. Moreover, after assessing the production of wheat which seems to be a thorn in our side, we could simply distribute it to Canadians and to countries all over the world.

Anyhow, I am convinced that the major problem which will be discussed next week, during the federal-provincial conference, will be that of finance. Let us be logical once for all and let us settle the problems in a different way. For 35 years, we of the Ralliement Créditiste have been requesting a solution whereby credit given to society will put an end to all those taxes which prevent private enterprise from progressing. In fact, we know that truth will prevail one day and I urge this government to pass immediately legislative measures which will make it possible to grant credit to the people, through the Bank of Canada, instead of taxing individuals and hence discouraging private enterprise.

• (5:00 p.m.)

[*English*]

The Acting Speaker (Mr. Béchard): Pursuant to special order made earlier this day this debate is adjourned and the house will now proceed with the next item of business.

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT PROVIDING EMERGENCY PAYMENTS TO MEET DRYING COSTS

The house resumed, from Tuesday, February 4, consideration in committee of Bill C-162, to amend the Prairie Grain Advance Payments Act—Mr. Pepin—Mr. Béchard in the chair.

The Deputy Chairman: When the committee rose last evening clause 1 of the bill was under consideration.

On clause 1—*Emergency advance payments.*

Mr. Cadieu (Meadow Lake): Mr. Chairman, I had not planned to speak on this bill. I thought that the quicker it was passed the sooner it might be some help to the farmers,

but after hearing the Minister without Portfolio last night I think I should try to set the record straight. He misrepresented the situation to members of his own party who are not familiar with western Canada when he said, as recorded on page 5148 of *Hansard*:

> Again, members of the opposition have used the three-bushel quota in an attempt to assess blame in connection with that. I should like to draw their attention to the many months which went by after that quota had been brought into effect before they began to think they could use it for petty political advantage, though they welcomed it at the beginning.

I think this is a terrible statement to be made by one who should be familiar with the situation. The government put a three-bushel quota on damp grain, but what good did it do? It was detrimental to western farmers because in many cases they would have been better off to leave their wheat lying in the swath inasmuch as they found out later that there was no room in the elevators for the damp grain. Farmers in my own constituency had only a one-bushel quota and they were not able to take advantage of the three-bushel quota. The three-bushel damp grain quota was useless in my constituency.

Just yesterday I was in contact with the largest shipping area in my constituency and I was informed it still has only a one-bushel quota and, as one man put it to me, it has not had a box car since God knows when. If this is all the minister saw of the seriousness of the situation when he was out west I think he had better go back there again and take another look.

The situation is very critical. Yesterday I was informed that very little, if any, drying equipment has been placed in position in the Meadow Lake area. It is being moved into position, but I point out that we are now in the month of February. Why was this equipment not put into position much earlier? The minister talked about drying charges of eight cents to ten cents a bushel, but the reports I received from my constituency say the charges run from 18 cents to 20 cents a bushel.

Furthermore, in this difficult situation for western farmers I understand that few, if any, payments have been made under P.F.A.A. This is something this glorified parliamentary secretary should start looking into. I have not yet heard of one single P.F.A.A. payment going out to my constituency although many districts there have had crop failures.

[Mr. Cadieu (Meadow Lake).]

On September 25 last year I asked the Minister of Agriculture to inquire whether a survey of P.F.A.A. needs was being made. We are now well into the month of February and I have not heard that one single farmer in my constituency has received a payment under P.F.A.A. I thought this was a matter which I should bring to the attention of the house.

I certainly welcome any assistance that this legislation will provide farmers to meet the cost of drying their grain. As I say, the three-bushel damp grain quota encouraged many farmers to thresh damp grain when it would have been better to leave it lying in the swath until good weather in the spring. As I indicated at the outset of my remarks, I thought the record should be put straight about the very serious situation in western Canada.

Mr. Peters: Mr. Chairman, last night I was surprised at the partisan way in which the Minister without Portfolio spoke. I am interested in this legislation and in the support it has received from the opposition, but now the government is trying to take considerable credit for this important step.

I have been long enough in this house to see the farming situation in western Canada deteriorate on at least four occasions and the situation that has developed this year occurred on each of those four occasions. By August last it was realized by western farmers, members of the government and members of the opposition that a serious situation was developing. By September, when grain was in the harvesting stage, people were able to ascertain that there would be a great problem to meet in drying damp grain. But when members of the opposition brought this matter to the attention of the government, what did the government do? Frankly, I am not sure what it did but I am sure of what it did not do. It did not really get around to solving the problem.

When the Minister of Industry, Trade and Commerce returns from the west I am quite sure the recommendation he will make will be to appoint a controller to regulate the flow of grain. It is all very well to supply a farmer in a desperate position with an additional $600, which in effect will be a debt, and ask him to dry wheat, but is it not time we got around to handling the wheat we have on a more equitable basis? Every day some hon. member gets up and asks why we are not able to fill the ships waiting at the ports on the west coast. Then the question is asked what assistance is being given to those areas

where damp grain is such a serious problem, and why an open quota is not put on damp grain so that it can be dried. The situation is now so bad that the damp grain will not even be any use for commercial feed come springtime.

• (5:10 p.m.)

I notice in the *Western Producer* that in some areas the unit quota has not been fulfilled, and on the prairies there are 345 points where the unit quota is not available. At the other end of the picture you will find there are some areas which have a four bushel quota. There are 329 prairie shipping points which are on a three-bushel quota today. Obviously there is inequality in this regard.

The minister made an attack on hon. members. I have heard this sort of thing many times not only from this government but from the previous government. On every occasion when the problem finally was settled it was because the government appointed an overall controller to deal with it. A controller would decide where the grain would be moved from, from what farm points, from what country elevators, and he would decide what box cars would be delivered to the elevators and what grain would be moved from the inland terminals to the coastal terminals. He would also have control over the vessels and the expenses that were incurred by the vessels.

Let us make no mistake about this. It does not do any good for farmers to pay the demurrage in respect of boats which cannot be filled through no responsibility of theirs but through the inability of the transportation facilities, the Canadian Wheat Board and the Board of Grain Commissioners to put the proper grade of grain in position for loading. If this advance of $600 interest free to be added to the debt of the farmer is considered to be a solution, then the minister obviously has not looked into the matter.

Last night the minister did a good deal of talking. I do not know why he was belligerent. He will not win many votes for a long time. His handling of this situation certainly would not win him any votes this year in western Canada if there were an election. If the minister really is serious in bringing about a solution to this problem he should sit down with the Prime Minister and decide who will handle this problem. There should be one person appointed who would decide how to solve this problem. It is not a new problem. We learned about it in August last year. We heard about it in September, October, November, December, January, and now we are in the month of February. It will probably be another three months before the situation comes finally to a head, and if the grain is not dry it will be lost to the farmers and to the economy of the nation.

I have a great deal of respect for the Minister of Industry, Trade and Commerce. I am also of the opinion that he has far too much responsibility for any minister, even one with his capabilities. He has at least three times the responsibility any minister should assume because it is impossible to do the job well. However, I am sure that when the minister discusses this problem with those who are involved with transportation and transportation facilities in western Canada he will come to the conclusion that it is necessary to have a transport controller in western Canada in order to solve it.

The Minister without Portfolio was wined and dined by the Grains Council, the people who are involved in one aspect of this problem, while he should have been turning his mind to the whole problem. I asked a western farmer about the Grains Council, its membership and what happens when a person brings grain to a country elevator which does not want it. The elevator agent is told he must move it, that there is a necessity that he do it, but I am sure they are not expediting the situation. Mention is made of the Canadian National and Canadian Pacific Railways, but I am sure they will not expedite a solution to the problem in western Canada. I am told that it is not as profitable to haul grain as it is to haul almost any other commodity. So the transportation facilities will be used for any purpose other than hauling grain. This will be the last resort when they cannot do anything else.

A controller would allocate the shipping points and see that a certain number of box cars are kept fluid for the transportation of grain at all times. He would decide to what points they would be delivered. In this manner the inequity could be cleared up. There is quite an inequity in respect of the shipping quotas. The controller obviously would work toward rectifying this situation.

Each and every member of this house, if he is really interested in the national good rather than in playing party politics, will be interested in solving the grain crisis in western Canada in the most satisfactory way. I suggest that the minister, instead of lecturing members about things which he does not

understand, should try to create, as the Prime Minister would say, some participation with the members of the house through dialogue. If he would look at the problem and see how it has been solved in prior years he would find that the solution is fairly obvious and is one which this government should take.

I think it is a credit to the controllers who have been appointed in years when we have had difficulty that they have been able to solve the problem quietly and efficiently. They have been very pleased when they have terminated their duties to report wholehearted co-operation by the wheat pools, the grain companies, the transportation facilities, the harbour personnel and all other persons connected with the grain industry. They obtained this kind of co-operation. Never since I have been here have they made a report to parliament which indicated they did not receive this kind of co-operation. I suggest that the government does not have the same kind of co-operation. This $600 will only make the farmers $600 poorer. I have been told that 10 cents a bushel for drying grain will not accomplish very much for most of the farmers who have 90 per cent or 100 per cent of their grain in a damp condition.

I hope the Liberal members of this house, on the passing of this legislation, will not thump their desks and say that this is the end of the problem in respect of the grain crisis in western Canada, because I think it is only a start. I was interested to note that the Minister of National Revenue indicated that very little advantage has been taken of the removal of the tariff on grain drying equipment and the provision that certain types of grain storage facilities may be imported without additional cost. These actions really have not done anything to solve the problem. The problem will only be solved when there is equality of opportunity to move damp grain into market position and when we have the full co-operation of and direction over the transportation facilities so that no ships will be standing idle waiting for grain which has been contracted for and then not delivered.

The problem will not be solved until every area in western Canada has a three-bushel quota which will allow the farmers to make arrangements for drying facilities on a cash basis. I suggest that the minister really has not done anything about the problem in western Canada. The introduction of silly pieces of legislation such as this as a solution to a crisis is a pretty ineffective way to solve the problem. I hope the Minister of Industry, Trade and Commerce, when he returns from western Canada, will rise in the house and recommend the immediate establishment of the office of transport controller so that the actions now being taken by provincial governments and by other interested parties may be co-ordinated. The situation certainly has been helped little by the Minister without Portfolio who is now trying to do something about grain dryers when they should have been in operation for the last five months. If this problem is not solved in the very near future many farmers will discover that their losses will be considerably greater because of frost damage and an anticipated early spring. Therefore the loss to Canada will be much greater.

[Mr. Peters.]

• (5:20 p.m.)

Mr. Horner: Mr. Chairman, I want to say a word or two more about this matter before this legislation passes this afternoon. I regret that the minister in charge is not here. I understand he is on a fact-finding mission in Vancouver. It is unfortunate that this debate could not take place after his return. We might then hear more proposals to solve the damp grain problem in western Canada and perhaps suggestions to transport grain more efficiently.

Let me quote briefly from an article which appeared today in the Vancouver *Province* under the heading "Pepin Hopes But Hedges". Those words do not give a great deal of confidence to the agricultural industry in western Canada. The article states:

> The grain crisis in western Canada could be over in a matter of weeks, perhaps in a month, Trade Minister Pepin said Tuesday in Vancouver.

A grain crisis could well develop after the month of March. It was estimated that there were 200 million bushels of damp and tough grain harvested in Alberta alone. It is also estimated that up to this time 15 million bushels of that grain have been shipped or loaded into elevators. It might well be estimated that 85 million bushels have been fed to cattle during the winter or will be fed to cattle before spring. That leaves some 100 million bushels of damp and tough grain in the province of Alberta to be dried between now and spring.

If we assume there are 100 days of cold weather left during which the grain will be preserved, and there will not be that many, we are still left with one million bushels of grain to be dried per day between now and spring. I suggest through you, Mr. Chairman,

to the minister that this crisis will remain with us much longer than another month unless greater action is taken by the government to dry the grain and to assist the farmers to dry more grain on their farms.

As I suggested last night, there are seven ways the government might have acted and might still act to improve the situation in respect of damp grain. Let me suggest one more. Before doing so let me read from an article in the Vancouver *Province*. It states:

> After conferring all day with senior port, transportation and Wheat Board officials, Pepin's smiling optimism at a press conference was mixed with a cautious spreading of blame for the shipping snarls of recent weeks.

At least we have accomplished something. The minister admits there were shipping snarls. While he apparently could not find any particular person or persons to blame, the minister did attempt in a cautious way to spread the blame around. The article then continues:

> He admitted there had been serious misjudgments, such as the hasty and premature shipment of too much inferior damp grain to the coast for drying when priority should have been given to better grades.

This is what I said earlier in the debate on this subject. Damp grain should not have been moved to the coast in greater quantities than could be handled by the grain drying equipment there. Apparently someone thought he might be the saviour of the grain industry by one stroke of the pen. The article then continues:

> Both the railways, said the minister, are taking extraordinary steps to make up for delays, but he added that he could not say until noon today, when they are due to report to him, just what further shipping commitments they are prepared to accept.

In other words, the railways still have not made any further commitments in respect of eliminating this difficult situation.

I should like the minister now in charge of piloting this bill through the house to understand clearly, as other members from western Canada understand, what the situation is. The article states:

> The minister made it clear that, in the matter of demurrage, the full load will eventually have to be carried by the grain producers themselves.

Those are the words of the minister as reported in this article. The demurrage charges in respect of these ships in Vancouver will have to be carried by the grain producers. The article states:

> Twenty-one ships are idle in Vancouver harbour waiting to load.

Who is responsible for these shipping snarls which the minister has tried to put on somebody's shoulders? He has admitted there are shipping snarls and he tried to spread the blame. Surely he cannot find any way of placing the blame on the farmers.

Some time ago we had a special debate on this matter and we were told that the problem had developed as a result of weather conditions and that everything was being done by the minister, the Wheat Board and the government. We were told that the railway companies were working overtime but that weather conditions created special problems. For the sake of argument let us assume that the weather did create the problem which resulted in shipping snarls. Weather conditions surely can be classed as acts of God. Why should the producers have to pay the demurrage charges as a result of these shipping snarls?

If the government is conscientiously concerned about the farmers in western Canada, the very least it should do is to pick up the demurrage charges, perhaps not for the full year or even half a year but at least for the time during which the shipping snarls existed. The minister suggested in Vancouver, as reported in this article, that the trouble may be over within a matter of weeks or in a month. Perhaps the government could pick up the demurrage charges for that period of time.

At least 21 ships are still idle in Vancouver harbour, and two weeks ago there were 33 ships waiting to be loaded. We know that at least two or three ships left empty. This means that we have loaded perhaps nine ships. During this period more ships might have entered the harbour had there been any prospect of their being loaded. In any event, 21 ships are still waiting. Surely the farmers should not have to pay the demurrage charges in respect of these 21 ships.

Let me make another suggestion to the government in respect of the movement of this grain. The government should immediately accept the demurrage charges caused by the shipping snarls which have existed throughout the period of processing damp grain at Vancouver. Perhaps this could be done at least in respect of that one port. It is not a great deal of money, and if the government would pay these charges it would show that it is really concerned.

Prairie Grain Advance Payments Act

• (5:30 p.m.)

The previous speaker dealt with the appointment of a controller and so did I yesterday. We are both of the opinion that a controller should be appointed. The three prairie premiers also suggested that a controller should be appointed. An article in the Vancouver *Sun* of February 5 says that the minister stated that "he intends to determine whether a prairie co-ordinator is needed to improve movements of wheat from farm to port." He still has not determined whether this is necessary. It is now February 5 and we have had this problem with us for nearly a month.

I stated yesterday that at a C.P.R. point in my constituency on January 1 there were 214 box cars loaded with wheat, 75 per cent of which were loaded with No. 2 and No. 3 wheat in dry condition. At the end of January there were still 120 cars on that same siding still loaded. I gave just one instance but I could cite several more. Many hon. members could cite many more incidents of box cars loaded with wheat not being moved now and not having moved since December. Is this not sufficient evidence on which the minister should by now have made up his mind that a prairie co-ordinator is necessary, and should he not now urge the railroads to greater action? The minister admitted in the press conference he gave yesterday in Vancouver as quoted in the *Province* that he does not know "just what further shipping commitments the railroads are prepared to accept". The Alberta Wheat Pool has advised me that the railways can handle around 120 cars a day at their terminals in Vancouver but the railroads advise us that the best they can move in there is 85 cars. This is not enough; the railroads have to move grain with greater speed.

The hon. member for Timiskaming, who resumed his seat a moment ago, suggested that grain was the lowest paying product that the railroads move and therefore they move it last. May I say that grain has been the bread and butter of the railroads on the prairies for the last 50 years.

Mr. Benjamin: Not according to the railroads.

Mr. Horner: That is right; the railroads always like to have a little more butter on their bread and a little more cream with their milk. Every year that grain shipments have been large the revenues of the railroads have gone up, and every year that grain shipments have gone down to a minimum the revenues of the railroad have also gone down. There is no way in which the railroads can say that they can operate on the prairies without hauling grain. Immediately many miles of track become inefficient. The railroads know they are the only ones that can haul grain and so they haul anything else in its place because they know that the grain will wait for them. Grain movement is a national concern and so is the movement of damp grain. The railroads have a monopoly in this field and are morally obligated to share the national concern and to do their utmost to assist the economy of every region of Canada, not only with regard to the wheat problem on the prairies but other problems in other regions of Canada.

I would like the minister who is piloting this bill through the house to give us his views. The Minister of Industry, Trade and Commerce suggested he has yet to determine whether a prairie controller is necessary. But what is the position of the hon. member for Saskatoon-Humboldt who represents the prairies? Does he believe a prairie controller is necessary? Will the hon. member for Saskatoon-Humboldt, the prairie representative in the cabinet who is particularly concerned with wheat, urge the minister to appoint a prairie co-ordinator? Let us have a little dialogue between these two ministers. We have seen a public dialogue between two other ministers with regard to the subject of NATO and defence. Perhaps the minister is prepared to tell the house whether he believes a prairie co-ordinator is necessary. Most of the prairie people, particularly those in the grain trade, believe that a prairie co-ordinator has served their industry well in the past and could do so now in this crisis as well as in the future, even though the Minister of Industry, Trade and Commerce suggests this emergency will only last for another month. He is doing a lot of wishful thinking in that regard.

I would also like to know from the Minister without Portfolio what he will tell the Minister of Industry, Trade and Commerce with regard to the demurrage charges on the 33 ships which were in Vancouver two weeks ago and the 21 which are there today waiting to be loaded. The article says that 21 ships are idle. What is the minister's position in this regard?

He and the Minister of Agriculture have said that the main cause of the snarling of the shipping traffic has been the weather and that this was an act of God. The difficulty in the handling of damp grain which froze in box

cars was the weather. The Minister of Agriculture said it took eight men with crowbars three hours to unload one car. He painted a very gruesome picture. For the sake of argument let us accept the fact it was the weather. Surely the government should be prepared to accept the responsibility and pick up the demurrage charges instead of charging the farmers and telling them: "You have not had enough to contend with. You have just had six weeks of 40 below weather in Alberta and Saskatchewan so we will give you the demurrage charges also because they were brought about by the weather and you are able to cope with severe weather conditions." The least the minister can do before this bill passes and before six o'clock is to answer these two questions.

In conclusion I should like to repeat the two questions to make them quite clear to the minister. What is his opinion with regard to the appointment of a prairie co-ordinator for the movement of damp and dry grain so as to eliminate in the best possible way the shipping snarl that has been troubling us and that will be with us for at least a month, according to the Minister of Industry, Trade and Commerce? Second, what is his opinion of the suggestion I have made that the government should pick up the demurrage charges, particularly at the port of Vancouver, brought about by the shipping snarls of late January and early February and which may continue for another month, as suggested by the Minister of Industry, Trade and Commerce?

• (5:40 p.m.)

These are the questions I ask. The minister can give us his opinions. Naturally the Minister of Industry, Trade and Commerce will make a statement when he returns tomorrow. We may comment but we shall not be able to debate the issue. We are prepared to allow this bill to go through, but if the minister does not give us an assurance that he will fight and work for the prairies it might be wise for prairie members to hold up this legislation until the Minister of Industry, Trade and Commerce returns. We would then have an opportunity to debate with him the suggestions I have made and to find out exactly where the minister places the blame for the present situation. A press cutting I have here states:

> Pepin's smiling optimism at a press conference was mixed with a cautious spreading of the blame for the shipping snarls of recent weeks.

It might be advisable to hold up this legislation until we find out where he spread the blame in his cautious way. Certainly he could never spread the blame on the backs of the farmers, although it is the farmers who will have to pick up the demurrage charges.

Mr. Gleave: Mr. Chairman, I just want to say that when this legislation is passed I hope the government will follow through by assessing the precise nature of the situation on the prairies. I think it is necessary to estimate how much grain there is to be dried locally on the farms. A good estimate could be made through the Wheat Board and the grain companies. This figure should then be related to the amount of equipment, including local driers, which is available, and an effort made to determine whether there are sufficient man hours available to do the job adequately in the time left. If the answer is that the amount of equipment available is insufficient or that there are too few man hours available, something should be done immediately. We should not wait until next spring when we hear cries of grain spoilage.

This must also be related to the cost. I agree with an hon. member to my right that the cost is likely to come closer to 15 or 20 cents a bushel than the 10 cents we have been talking about. This would be another factor. If the farmers have a feeling that this administration is really concerned about the problem and is ready to go to work with them to meet it, we shall get the kind of action needed.

I do not propose to say anything further about the movement of grain because the subject has been debated thoroughly. As to the need for a controller, I made that point myself weeks ago without effect. Farmers have done their part. We put millions of dollars into a pool terminal out on the west coast. Let me tell hon. members that the farmers—and I was one of them—put up the money out of their own pockets to build that terminal because there was a shortage of storage. It is indeed distressing to find out now after paying these millions of dollars that the grain has not been effectively moved into position.

I do not want to belabour the point further. I merely wish to make this final comment. I do not think the government can assume that if this bill passes they can forget about the problem and that the tangle which now exists will automatically unsnarl. That is not the way it will happen.

Mr. Benjamin: Mr. Chairman, I am glad of this opportunity to make one or two further

points because this may be the last occasion on which hon. members—I am thinking particularly of those from western Canada—can discuss this subject in any detail.

Last night the minister finally and unequivocally said no, on behalf of the government, to the idea of making direct cash payments to farmers for the purpose of drying grain. I accept this as being the government's position, though I do not agree with it. In these circumstances I have a suggestion to put forward. Perhaps the minister will go at least this far, and try to persuade his colleagues to agree that the farm industry should not be expected to bear all the extra cost caused by the condition of the crop. If the hon. gentleman would agree to this principle, then something at least could be done to assist western farmers.

May I suggest an alternative method by which the treasury would bear some of these costs. The Wheat Board will be faced with additional costs amounting to millions of dollars because of the difficulty of dealing with tough and damp grain. It will be paying out extra money in demurrage charges on ships and box cars. It will be paying out tens of thousands of dollars in respect of carloads of grain charged as dead freight because grain is light in weight and cars cannot be loaded to the limit. There will be additional costs in diversion charges and switching charges directly attributable to the condition of the grain. If the federal treasury were to bear the additional cost attributable to tough and damp grain, the amount of money received by farmers next spring need not be reduced, and in this way indirect assistance could be given to our farmers.

May I support the pleas of those who have called for the appointment of a transport controller. We should like to see such an appointment made as soon as possible. There are three members of our group in the house who worked on the railway, and we have some knowledge of the way in which chief despatchers, chief superintendents and transport supervisors operate in the allocation of railroad equipment, both box cars and motive power. Their attitudes have not changed. Unless someone tells them how much equipment they are to allocate for the movement of grain they will only act at their convenience. I cannot overemphasize this point.

Finally, may I gently remind the minister to reply to the question I asked him in connection with the submissions of the farm organizations concerning direct federal payments? Again, would the minister indicate where I might find, either in the act or in the regulations, provisions concerning the payment of advances and the circumstances in which farmers would not be considered in default?

Mr. Lang (Saskatoon-Humboldt): I should begin by referring briefly to some of the questions which have been put to me by hon. members opposite. I may say that the kind remarks last night of the hon. member for Crowfoot left me in any case with a desire to reply to a couple of questions which he had brought up previously.

I want to draw attention to the fact that the figures I have are very different from those he used with regard to the quantity of grain involved. He used a figure of 800 million bushels. The Wheat Board, as a result of its survey, has indicated that the figure is some 217 million bushels. This includes both damp and tough grain.

The hon. member asked about the Grains Council. I should like to assure him that when the council met in Winnipeg it talked about holding a very early meeting to deal with the process of launching its endeavours. He asked, further, about money for the Grains Council. I refer him to vote 35 in the estimates of the Department of Trade and Commerce tabled yesterday and to a similar item in the estimates of the Department of Agriculture.

Today, he and other hon. members asked about demurrage. May I simply say it would be out of step with ordinary policy if the government were to undertake to pay demurrage charges. This responsibility should really belong to those who make the decisions about when boats are to load, in order that this measure may be operated responsibly, and decisions like this are taken by the Wheat Board.

I was asked about the appointment of a co-ordinator. I should like to say that the Minister of Industry, Trade and Commerce would, at any moment he felt the appointment of a co-ordinator would improve the situation, recommend such action. But at no time up to the present has this necessity been apparent. It was with the purpose of staying close to the situation that my hon. friend went to Vancouver to investigate the matter.

• (5:50 p.m.)

Mr. Horner: Would the minister permit a question on that point? I did not ask him what the Minister of Industry, Trade and Commerce would do about a controller; I asked him for his opinion whether a prairie controller would help at this time in light of the premier's statement in that regard.

Mr. Lang (Saskatoon-Humboldt): I agree completely with the action and decision taken by the Minister of Industry, Trade and Commerce in this regard.

The hon. member for Regina-Lake Centre asked about the right to take an advance on an amount outstanding. As a matter of interpretation of the act this is not specifically barred and I think really follows. But let me refer him specifically to section 3, subsection 4, and section 4, subsection (1) (e), which make clear the procedure that is used in an ordinary case to take an advance when there is an outstanding amount from a previous year.

A number of members referred to the price of grain drying. In my remarks last night I referred to a discovery that pleased me very much during my most recent visit to the prairies. Previously on other visits costs were kept fairly low only in exceptional cases. On this occasion I found that in many cases, when grain drying equipment was set up near the elevators, a cost of eight to ten cents was being charged. I emphasized that setting up this equipment near grain elevators was a very important development. In this regard I am confident that there is adequate equipment on the prairies to do the drying and that it is really a matter of moving it into place.

Mr. Horner: One more question before the minister finishes with this subject. If the cost of grain drying has now been reduced to eight to ten cents a bushel, can I assume that the minister will work hard to reduce the difference between that figure and the cost of drying damp wheat of 16 cents a bushel?

Mr. Lang (Saskatoon-Humboldt): I would have thought the hon. member would know that there is no direct relationship between the cost of drying grain and the appropriate figure to be deducted when grain is delivered in a damp state. In addition to the cost of drying there is a significant change in the value of the wheat because of shrinkage. A man who delivers damp wheat gets an advantage because included in his price is the water that he is delivering at the same time as he delivers the grain.

Mr. Horner: Is the minister suggesting that there is a considerable difference in the wheat, whether damp or dry, because of deterioration in quality?

Mr. Lang (Saskatoon-Humboldt): This depends very much on a lot of factors.

Mr. Gleave: In regard to charges for drying grain, would the minister indicate how wide his survey was and give instances of charges that were assessed for drying grain?

Mr. Lang (Saskatoon-Humboldt): I will be glad to give the hon. member some specific examples.

Mr. Gleave: The reason I ask the question is that my own personal experience indicates a charge, on a custom drying basis, much higher than that indicated by the minister.

Mr. Lang (Saskatoon-Humboldt): As I say, Mr. Chairman, with no fee I will be glad to give the hon. member the names of a couple of places where he can get his grain dried a little less expensively.

Mr. Gleave: I would not expect the minister to charge a fee. What I want is information.

Mr. McIntosh: Mr. Chairman, I have two questions to put to the minister. He may have answered the first which relates to the one clause in the bill and its reference to advances. I do not know whether these circumstances will ever arise, but where a farmer has had a $6,000 advance and then applies for the maximum advance for drying wheat, would this prohibit him from receiving the $600 since he has already received the maximum of $6,000? Is the one provision contrary to the other?

Mr. Lang (Saskatoon-Humboldt): A farmer who has obtained the maximum of $6,000, or indeed any farmer who is in any position regarding applications under the existing act, will be able to obtain an additional $600 under this bill regardless of his delivery position.

Mr. McIntosh: My second question is with regard to wheat that has actually been spoiled during the drying process. I believe the Wheat Board sends out instructions to operators on how to dry wheat, at what temperature and so on. I understand that in some cases the heat has perhaps been excessive and grain has been spoilled. In such cases farmers have refused to pay the operators of the dry-

ing equipment for drying their wheat. In addition, farmers have had to take a lower grade for their wheat because their wheat was spoiled in the drying process. It has gone down from No. 2 or No. 3 grade to feed grade, and as the minister knows this is a great loss. What happens in cases like this? Will there be any court cases, and who is responsible?

Mr. Lang (Saskatoon-Humboldt): I am sure that as far as the farmer satisfying the provisions of the bill to qualify for the advance is concerned, no difficulties will arise. I will not comment on the position as between the farmer and the person who dries his grain.

Mr. Benjamin: Mr. Chairman, may I go back to the minister's answer about the repayment of the advance and the fact that the act now says farmers may go till the end of December in the ensuing crop year in making repayments. Am I correct in the event of a farmer taking the full advance—to take a hypothetical case, $6,600—and having delivered all the wheat required under his quota until the end of December but having failed to haul sufficient to repay the entire advance, this would mean that in order not to be in default he would have to take out another advance to repay the old one?

Mr. Lang (Saskatoon-Humboldt): No. That situation, as the hon. member put it, would not arise until December 31 at the earliest.

Mr. Benjamin: That is what I meant.

Mr. Lang (Saskatoon-Humboldt): If by December 31 the farmer's grain deliveries had not repaid the earlier advance, he would then be in the position that, unless the Wheat Board exercised its discretion in his favour, he would have to take out an advance to cover the previous advance or he would be in default. This is a matter within the administration of the Wheat Board at that point, and it is really only at that point that this position would arise.

Mr. Horner: May I quickly ask another question. The minister will correct me if I am wrong, but if a farmer has already dried his grain and has taken out the $6,000 cash advance, if he has sufficient grain can he still take out the $600 even though the grain may well have been dried?

Mr. Lang (Saskatoon-Humboldt): He may. However, there is one limitation to this and that is that if he has already delivered all of this dried grain then, according to the act, he would not be able to get an advance on it.

[Mr. McIntosh.]

Mr. Horner: According to the bill it is provided at the top of page 2 that only grain that is damp and on the farms will qualify. It does not imply that if the grain is already dry the farmer can still get the advance.

Clause agreed to.

• (6:00 p.m.)

Mr. Benjamin: Mr. Chairman, may I raise a matter before you ask the committee to deal with the preamble and title of the bill. I am still very much concerned about the position at the end of December of the farmer who takes out a cash advance. If he is in default with respect to any repayment he is accountable to the board. It seems to me that many thousands of farmers might be in that position at the end of December and, frankly, I do not see how the board could administer such a great volume of cases. I hope there will be unanimous consent for Your Honour not to see the clock in order that we may finish this bill. I wish to move an amendment which will deal with the matter I have raised. I hope the minister will permit it to pass. I move:

That Bill C-162 be amended by adding thereto the following new clause 2:

"2. Paragraph (c) of subsection 1 of section 13 of the said Act is amended by substituting the word "March" for the word "December" in the first line thereof.

Mr. Lang (Saskatoon-Humboldt): Mr. Chairman, I hope this amendment does not carry. I regret the hon. member found it necessary to move it. The administration of the Prairie Grain Advance Payments Act has been marked with tremendous success over the years and the rate of default under the act has been very low. If the hon. member's amendment were adopted and the date changed to March from December, serious inconvenience would be felt by many in an ordinary year. The law adequately covers the situation at present. The Wheat Board has over-all discretion in the matter of payments. The provisions of the act do not allow the Wheat Board to recognize any default in payments until December 31 of any year. The proviso, of course, is that farmers are making appropriate deliveries. After December 31, of course, although the Wheat Board has the right to proclaim that a default exists it would not do so in a year like the present one, especially since parliament has permitted farmers an additional $600 advance. The board would not institute default procedures unnecessarily. In fact, it would be most difficult for it to do so under the present circumstances. One could expect

the board to display a generous attitude in present circumstances. I hope the amendment does not carry since the law at present is perfectly adequate to meet existing circumstances.

Mr. Benjamin: May I point out to the minister that the present act, from my reading of it, says that any farmer, even if he did not want to avail himself of a cash advance, damn well has to. That is my interpretation of the legislation although I admit I am not an expert in these matters. If my assumption is incorrect all I can say is that the wording of the bill is not clear. Certainly farmers would find it more convenient to make their payments in March. After all, they would have in their pockets the final payment and would be able to repay existing cash advances without having to avail themselves of additional cash advances. I still think the minister ought to accept the amendment. I can see difficulties facing the Wheat Board in administering cases involving thousands of farmers who have to meet the December deadline. Such a backlog might take a long time to clear up.

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

Amendment (Mr. Benjamin) negatived: Yeas, 13; nays, 24.

The Deputy Chairman: I declare the amendment lost. Shall the title carry?

Some hon. Members: Agreed.

Title agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, I would ask one of the ministers of the old guard to confirm that tomorrow we will take the estate tax bill.

Mr. McIlraith: As far as I know, Mr. Speaker, there has been no change from what was announced last night as the business of the house. If there has been, I will advise the hon. member.

The Acting Speaker (Mr. Béchard): It being six o'clock this house stands adjourned until tomorrow afternoon at 2 p.m.

At 6.05 p.m. the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, February 6, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

DOMINION-PROVINCIAL CONFERENCE

ISSUES TO BE FACED AT FEBRUARY MEETING—TABLING OF FEDERAL PAPERS

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, all hon. members know that a second meeting of the federal-provincial constitutional conference will take place next week in Ottawa.

At the first meeting, which was held in February last year, the heads of 11 governments participating in the conference agreed that the revision of the constitution they had undertaken was so important that it had to be attended to on a permanent basis until completion.

Unanimously, the Premiers recognized that, in view of the urgency of the task, the conference should not be adjourned but rather suspended to be resumed periodically. They also agreed that such an important task required the creation of a standing committee of officials who would be entrusted with the heavy responsibility of making investigations and reporting.

Moreover, they agreed that the scope of the undertaking entailed the establishment of a secretariat.

[*English*]

In February of 1968 there was unanimity in recognizing the perils that were besetting confederation, and in the importance of identifying and offsetting those perils by constitutional means. I have no hesitation in saying, Mr. Speaker, that the importance of this task of constitutional review has not lessened in the past 12 months. Nor do I hesitate to say that in my belief the task is even more urgent now than it was when we began a year ago. It would be folly of the most dangerous sort for us in 1969 to persuade ourselves that the discontent in French Canada which we all recognized in 1968—and the causes of which the first session of the conference dedicated itself to removing—has in any appreciable measure disappeared. It would be hypocritical of us as legislators if we accepted, in the face of the steadily mounting evidence to the contrary in our society, that the individual human being needs no protection of his basic rights against the inroads of governments and the bureaucratic institutions and agencies which governments spawn. It would be an act of irresponsibility if we accepted the simplistic argument that there is nothing wrong with Canada that a revision of revenue sharing would not correct.

• (2:10 p.m.)

Prime Minister Pearson stated last February that at stake in this sweeping process of constitutional review and reform was nothing less than Canada's survival. I would not be candid if I did not say that today, one year later, the stake has not in my opinion changed. Canada's survival remains in issue.

If we are not able to take whatever steps are necessary to provide in this country equality of opportunity to all Canadians—equality which reveals no exceptions based on use of either of the official languages, or on regional economic disparities, or on basic individual freedoms—then we shall have failed. We shall have disappointed the expectations of the Fathers of Confederation. And we shall have disappointed as well the expectations of persons in many other countries who regard Canada as an example of a workable federal system in a co-operating bilingual community.

I believe that we shall not fail. I believe that we are capable of meeting successfully the challenge that faces us, which is no less than a systematic and comprehensive review of the structural framework of our Canadian society.

[*Translation*]

Such a review involves the establishment of priorities, as well as a selection of means which are necessary, according to the Canadian government, to carry them out. That is the subject of the document "The Constitution and the People of Canada" which sets forth the position of the federal government.

Mr. Speaker, I would now like to table English and French copies of this document.

Tabling of Government Papers

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I hope I create no security problems for the Prime Minister by thanking him in public for his courtesy in providing me with an advance copy of the document he has just tabled. I appreciate his courtesy.

As the Prime Minister indicated, the document relates to the constitution, as some of us thought it might, and not to fiscal problems or problems of economic disparity which exist with the present constitutional arrangements. Although this booklet envisages a comprehensive review of constitutional problems, the proposals contained in it relate to a limited number of areas. There is a preamble which states purposes. The proposals of the booklet relate also to human rights, Senate reform and Supreme Court reform. Yet there is no specific proposal relating to the division of powers within the country. I presume that while the federal government is prepared to hear discussions on the subject, it is not making any proposals in this regard. Also, no specific proposal is made about any amending formula. The booklet is extensive in scope but nevertheless covers only a fraction of the constitutional problems and questions facing the country. Many of its statements seem to flow from previous statements of positions. There are some statements in it regarding provincial constitutions. The wisdom of putting into writing some of our unwritten conventions is questioned. We must be cautious in approaching this matter.

Perhaps the newest suggestions relate to the Senate and the Supreme Court. These suggestions are most interesting and I expect hon. members of the house and the people of the country will wish to study them carefully.

I do not rise at this time, Mr. Speaker, to emphasize any objections I might have to the proposals before us, or to express any differences of opinion. The document sets forth some limited objectives, and I must make it clear that I join with the Prime Minister in emphasizing the importance of the questions raised in it. It is important that we should succeed in having a constructive conference, one which will enable us to make progress toward strengthening the country. This is a subject of worry and concern, particularly in view of the seemingly small area in which agreement was reached by the officials of the various governments, as disclosed by documents summarizing the conference they held.

So it would be difficult to exaggerate the importance of the outcome of the constitutional conference. I do not expect, and I do not think the people of Canada expect solutions to all our difficulties; but we hope and pray for progress.

As I said, Mr. Speaker, I did not rise to criticize or to express any reservations I might have or any differences of opinion that might exist with regard to priorities to be followed. Regardless of whatever difference of opinion there may be concerning these proposals, its great underlying purpose is to strengthen the country. I accept the conference on that basis; we all fervently hope this will be the consequence of its deliberations. I and my colleagues in this party extend our good wishes to the Prime Minister and his associates, as well as to the premiers of the provinces. We hope the conference will be noteworthy for its wisdom, moderation and understanding, indeed for the patriotism of those who participate.

I wish to make a statement which might possibly be misunderstood as implying criticism, but I put it forward after much consideration as a constructive argument. There is a reference in the document tabled by the Prime Minister to the importance of improving the spirit of co-operation between the federal government and the provinces with a view to reaching a genuine solution rather than suffering more from some of the difficulties which have occurred through the years. There is a grave uneasiness, Mr. Speaker, among the provinces regarding the willingness of the federal government to co-operate in solving fiscal and economic problems faced by the provinces.

The Prime Minister has emphasized this will be a constitutional conference, that fiscal and economic matters will be discussed in the constitutional aspects, but not with regard to their workings under the constitution as it exists. If this is the position, then I suggest it is of the utmost importance that the government give firm assurance to the provinces before the conference begins that it is prepared to co-operate fully in trying to reach solutions to problems which exist. The federal government should not merely give an assurance that it is prepared to confer fully and without restriction on these matters at an early date; it must consider taking some definite steps which would generate trust. There should be concrete terms and a genuine desire to consult and co-operate.

This government has proposed two tax measures which have not yet been adopted.

One of these is the estates and gifts tax, which is not a revenue item but is proposed as a measure of reform. This measure is resented by quite a number of provinces because of the lack of consultation, and one can make a good case in suggesting that the provinces ought to have been consulted with regard to this matter. I suggest it would be a concrete indication of the government's desire to co-operate, and might very well substantially improve the circumstances in which the conference meets, if the government were to say they would defer further consideration of this bill until there has been an opportunity for full consultation with the provinces.

I would also suggest that the government give further consideration to permitting the provinces to share in the so-called 2 per cent development tax. This is another source of real irritation. This is another way in which the government could take a concrete step which would give real and convincing evidence of its desire to co-operate in matters which strictly may not be before this conference, and yet may well have a very profound effect upon its success.

• (2:20 p.m.)

I do not put these suggestions forward lightly, Mr. Speaker. I realize that many of the suggestions which I am putting forward involve problems for the federal government, but I do emphasize the immense importance of the success of this conference upon the constitution. I do emphasize the need of the government of Canada to take every reasonable concrete step within its ability to create a belief among the provinces in the desire of the federal government to participate in creating a sense of confidence. I suggest that this is a wise course, and the government should not risk any failure in confidence resulting from a failure to take one or two steps I have suggested.

Mr. David Lewis (York South): Mr. Speaker, I also want to thank the Prime Minister (Mr. Trudeau) for letting me have a copy of this document, as he did other leaders of other parties in the house. Of course, Mr. Speaker, it goes without saying that I wish him and his colleagues and the spokesmen for the provinces the very greatest possible success, in view of the importance of the conference, but I must say that I have some profound doubts about the approach which is revealed in the document the Prime Minister has tabled today.

First it must be noted—and the Prime Minister really recognized this—that it is a sad and disturbing fact that the constitutional conference which opens next Monday will open in a much less hopeful atmosphere than was the case a year ago. It also seems to me, and I am sorry to be driven to this conclusion, that the paper tabled by the Prime Minister, and his comments today, may not help to move the conference forward in a dynamic and fruitful direction.

The responsibility for this worsening situation is probably shared by all governments to some extent, but in my opinion it lies primarily with the federal government for reasons which I will indicate. Mr. Speaker, the document tabled by the Prime Minister, which I have studied very carefully, in my opinion discloses a myopic view of the Canadian problem, and is again an example of the purely legalistic approach which the government takes on so many matters. To me the document discloses a complete disregard for the basic social and economic storms which daily grow in intensity in Canada.

If you look at the paper you will find it deals with the instruments of government, with the Governor General and the cabinet, the House of Commons and the Senate, the Supreme Court of Canada and related matters. It reiterates the federal government's desire for an entrenched Bill of Rights—to which I will come back in a moment—but neither the paper nor, on the whole, the Prime Minister's comments contains any reference of substance to the problems of taxation, of revenues, of economic planning and development, or of the division of powers and responsibilities for the two levels of government.

If I may put it this way, Mr. Speaker, it seems to me that the provincial leaders come to Ottawa next Monday for bread, and in the spirit of Marie Antoinette the federal government insists that they have cake. No one denies—and I make this comment because I share with others great anxiety about the conference and the future of our country—no one denies the importance of considering the ways in which the instruments of government in Canada must be brought up to date. But instruments of government can be fashioned sensibly only in relation to the functions which they are to perform, and one of the two most important facts facing Canada today is the disarray of our economic and social condition as between the federal government and the provincial governments. The other is the question of language rights.

I suggest that the overwhelming majority of Canadian people are concerned with finding new and relevant ways of meeting pressing social and economic needs, rather than with the structures of institutions, important though they may be. What I wish to emphasize is that the concentration in the paper on the structural framework may meet with indignant resistance from many if not all provincial leaders, and in my opinion such resistance will be justified.

The time has come for placing at the head of the constitutional discussions the role of the spending power of the federal government, the ways in which all provinces can be assisted to meet their pressing obligations to the Canadians within their borders, and the ways in which we can establish a system of comprehensive planning and co-ordination by both levels of government—planning with regard to priorities, tax rates, tax-mix, budgetary changes and even monetary policy. Nor is it reasonable to expect that these subjects can be discussed on a purely theoretical level. The opportunity must be given at the conference next week for a discussion which is relevant to the immediate problems, as well as to future developments.

I suggest that if the Prime Minister continues to insist that the discussion next week must be confined within a legal constitutional framework, the meeting will come up against insuperable difficulties and the responsibility will be primarily his. In order to succeed the conference next week will require effective recognition and meaningful discussion of the basic social and economic problems which bedevil the rich provinces, and frustrate the poor ones.

In one other respect the atmosphere in Canada has suffered some deterioration. A year ago it looked as if the equality of the two official languages in Canada, was on the verge of becoming a fact, as if the fears and objections had been, if not removed at least allayed. This now appears to have been too rash a conclusion. Perhaps the deterioration started with the ill-advised, shortsighted and rather bigoted actions in a few places in the province of Quebec where the language rights of the English speaking minority were seriously challenged. This is a great pity.

I do not see any reason for this development. Every Canadian, who believes as I and many of us do in the value and richness of bilingualism in Canada as well its contribution to Canada's future unity, cannot but deeply regret this retrogression in that great province. But deterioration is by no means limited to the province of Quebec. It is evident in some other provinces as well, and was climaxed by the declaration of the three prairie premiers a few days ago with respect to the official languages bill which is now before parliament. I hope with all my heart the premiers of the prairie provinces will be persuaded at the conference to change their position on this point. It will require an immense effort of patience and understanding, in order to regain the ground lost in this aspect of our Canadian life. One can only hope the effort will be made, not only by the Prime Minister and federal spokesmen but also by many of the provincial leaders, in order that it may succeed.

[Mr. Lewis.]

• (2:30 p.m.)

Finally, on previous occasions spokesmen for our party have made clear our support of the idea of an entrenched bill of rights, including linguistic rights. I want to assure the Prime Minister that our party is firm in its conviction that such a provision in our constitution would enhance liberty and freedom in our Canadian society and deserves the continuous support of all thinking Canadians.

We are engaged in an exercise of monumental importance for the future of the Canadian people. The demand and the need for re-assessing the functions of the two levels of government and for reconstituting the instruments which serve them are recognized by all.

A Prime Minister and a federal government which has a broad and deep vision of the social and economic framework and of the need for fundamental changes can give dynamic leadership to this search. On the other hand, a government which confines itself within arid areas of legalistic argument and a purely structural framework, as unhappily now appears to be the case, can unwittingly shortcircuit an urgent national undertaking. I say these words, critical though they are and are intended to be, because of my anxiety about the present climate and the atmosphere in which the conference will meet, and the arid legalism with which alone the document tabled is filled.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I only had a few minutes before this sitting began to look over this document just handed to us by the Prime Minister (Mr. Trudeau). This paper should create an impact and serve

as a working instrument during the federal-provincial conference beginning next week.

Mr. Speaker, I think that the federal-provincial conference which took place last year was a preliminary step to the one commencing next week. As a matter of fact, it has been considered by several persons that the first conference cleared the way on the question of bilingualism. I am of the opinion that the results achieved by the conference beginning next Monday will be proportional to the good will of the premiers and officials participating in it.

Like most people, I have noticed that some of the provincial delegates will be attending this conference with the intention of discussing financial priorities rather than the program proposed this afternoon by the Prime Minister.

This attitude leads me to believe that, for the provinces as a whole, the primary objective would rather be one of economics than one of languages or constitution. Therefore, as the working instrument offered by the central government does not, if I am not mistaken, deal at all with monetary or economic objectives, some provinces will be disappointed in the orientation of the talks.

In my estimation, due to the prevailing attitude, the priority objective is indeed of a constitutional nature, that is constitutional reform. However, I would think that efficient measures should be taken in order to achieve the proposed objectives.

On the matter of Confederation, the government is putting forward four objectives. I would like at this time to quote the third one which is as follows:

> To promote national economic, social and cultural development, and the general welfare and equality of opportunity for all Canadians in whatever region they may live, including the opportunity for gainful work—

Mr. Speaker, not only do I think that this objective has not been reached in our 100 years of Confederation, I even believe that we are still very far away from it, since we have now much too many unemployed, much too many Canadians who do not have jobs, or do not enjoy the comfort they are entitled to. Governments who for the last 100 years have followed one another, just as the present government, have denied them that right, and today again, we are making the same proposal, we are trying to reach the same objectives.

What is the government offering by means of this amendment to the Constitution, by this constitutional review? What is it offering in order to reach that objective? I have not seen anything in the document, Mr. Speaker, and if the representatives of the provinces are coming to the conference next week in this state of mind, they will be very disappointed indeed, because the government is not proposing anything to improve the present situation.

I think that this aspect of the constitutional reform was forgotten and that it should be added on the order paper. I hope that the provincial delegates who are crying the loudest for fiscal benefits will at least propose a reform of our monetary system to the federal government, so that it might become what it should be, not a source of revenue to refloat departmental budgets and defray the cost of government administration, but a source of revenue designed to take the money from where it is not needed, when there is a surplus. However, this is not the case right now.

The provincial premiers will be here next week and they will be fighting to find out which level of government will be the first to take from the peoples' pockets the money needed for administrative purposes.

According to me, this is not the purpose of taxation. The government had better offer sources of income to them, which would enable them to administer the provinces, and then establish a taxation system in order to secure surplus money where it can be found, and the provinces should put forward proposals in that connection, since the federal government does not do so.

However, I trust that next week the conference will give all Canadians a glimmer of hope that will enable them to look forward to the days when they will have an equal chance to live, wherever they might choose to settle.

[*English*]

GRAIN

REPORT CONCERNING MOVEMENT TO WEST COAST PORTS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I had very constructive meetings in Vancouver on Tuesday with all elements of the industry concerned with grain movements. Present at the meeting were officials of the Canadian Wheat Board, members of the grain transportation committee and the producers advisory committee to the Canadian Wheat Board.

With regard to the existing backlog in the grain movement to and from the west coast

ports, I wish to report that the Canadian National and Canadian Pacific railways have given me their firm assurances that the existing backlog, occasioned in particular by the recent severe weather, will be corrected promptly. The elevator companies have assured me that the proper grains, and grades of grain, will be loaded at country points, as has been the case in recent days, in accordance with Canadian Wheat Board instructions, and that box cars will be unloaded without delay at terminal positions.

In private meetings, I was pledged the capacity and the continued co-operation of labour in meeting the challenge of the coming weeks. Given these firm assurances, and with more normal temperatures expected, I am confident that the situation at Vancouver will be corrected promptly. It would be folly of course for me to give an exact date as to when normalcy will return.

The discussions I had in Vancouver were both frank and enlightening. While I do not wish to be specific at this stage, it was conceded during these meetings that mistakes had occurred in recent weeks—mistakes that were extremely difficult to correct rapidly because of the unusually severe weather in January. In order to obtain the full picture of what actually happened, I suggest that hon. members consider hearing representatives of the railways, the elevator companies and the Canadian Wheat Board before the agriculture committee later in March. I consider that, in the interest of the grain producers, the efforts of those responsible in the grain industry should at this stage be directed as a matter of the highest priority to moving grain.

With regard to the demands for a transport controller made by some opposition members, and by premiers of the western provinces as well as by some government supporters, it is the confirmed opinion of everyone concerned—the producer representatives, the Canadian Wheat Board, the elevator companies, the railways and the Board of Grain Commissioners—that the present two co-ordinating committees in Winnipeg and Vancouver are better able to cope with the present situation than would be a transport controller. I am in full agreement with this position.

The situation in Vancouver highlights the importance of the excellent work of the grain transportation committee in the past two and a half years. The committee has fully accepted that in the long run the use of unit trains, larger country elevators and computerized control are essential. The desirable objective is to establish a more efficient grain handling system in the interest of reducing costs to farmers and maximizing export efficiency. The basic research has now been completed and a new shipping order system has been developed. Basically, this system will involve 50 shipping blocks instead of 2,000 individual shipping stations. The first two shipping blocks will go into operation on an experimental basis in February in the Medicine Hat area, and in the Dauphin area in March. If the system works satisfactorily in these two areas, then it will be expanded for the whole of western Canada.

• (2:40 p.m.)

This work must be given the highest priority in order to ensure that we are equipped to take care of unusual demand situations. Many representatives at the first meeting of the Canada Grains Council expressed support for the need to modernize our grain handling system.

Finally, Mr. Speaker, I shall be in close touch with the situation in order to ensure that progress is in conformity with the assurances I received in Vancouver.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, we on this side of the house commend the minister for going out to Vancouver, ascertaining the direct cause of the problem and doing whatever he thought would eliminate or alleviate the difficulties the farmers now have to face. We had hoped he would have made this trip at least a month ago or, in fact, two months ago, when we had the first indication that Japan was not satisfied with the grading quality of United States wheat. The warning signs were then issued that trouble would arise in Vancouver because of the congestion that could well develop with regard to the necessity of having dry and high grade wheat there, and also damp grain which had to be dried, which would perhaps result in a lower grade quality wheat being stored.

The minister in his statement suggested that on his trip to Vancouver he ascertained there was an existing backlog of grain. This is an important admission on behalf of the government. Up until now the government has tried to shrug this problem off by saying it was a situation that arose only because of extraordinarily bad weather conditions. The minister also said that mistakes had occurred in recent weeks. We are interested in this admission by the government.

The minister also suggested that the railroad companies had assured him that the difficulty could be resolved, and because of these assurances he felt that the mistakes made in respect of shipping conditions could promptly be corrected. He did not tell us what the causes were and how, all of a sudden, the railroads could assure him that they would improve the situation.

The minister's statement suggests that the railroads have been negligent in the movement of grain up until this time, but they are going to pull up their socks after having talked to him. He did not say this, but he suggested it in his statement. We in this house know the problem that is involved. If there were not enough diesel locomotives with which to move the grain, why did not the government obtain some on a rental basis from the United States?

The minister also suggested that a new shipping order would go into effect, after due consultation with all the people in the grain trade, in an effort to reduce the cost to the farmers. The farmers were not consulted. All the representatives of the grain trade were consulted, except the producers. The producers themselves should have been consulted in this regard. It is suggested that the new shipping order will involve 50 shipping blocks, rather than 2,000 individual shipping stations. The minister's words suggest to me—and we will later examine them closely—the initial breakdown of the quota system, which ensures fair and equal opportunity for all farmers, if the system is properly administered, to deliver their grain.

The minister suggested, also, that the interested parties could be called before the agriculture committee. We commend this suggestion. I am sure the agriculture committee will want to know whether the railroads have been at fault, and why the trouble developed. It will want to know why, if the Wheat Board was at fault, the situation was allowed to develop. The committee will want to know what was the breakdown of communications which created this backlog of grain. We will want to know how the costs to the producer are to be reduced. If 50 shipping blocks are provided, this will in effect make the farmer deliver his grain to a shipping point that is perhaps much farther from the point to which he now has to deliver. This will increase the farmer's cost.

We on this side of the house are concerned about these questions. Surely the farmers should have been consulted before action was taken. The farm unions, the Canadian Federation of Agriculture, and representatives of the producers should have been consulted about whether a transport controller was really necessary. The minister in his statement said that the situation in Vancouver highlighted the importance of the excellent work of the grains transportation committee, which has been in effect for the past two and a half years. Surely if the grains transportation committee is the solution, with one committee in Winnipeg and one in Vancouver, and the minister saw evidence of excellent work there, there should not have been this backlog. If the minister is right, why has there been this ball-up of grain movement? We on this side of the house are not convinced that a transport controller, with absolute authority for the movement of grain, could not play an effective role in clearing as quickly as possible the backlog of grain that exists and the problems we have at Vancouver.

We are very, very disappointed that the minister did not mention anything about the government picking up the demurrage charges for the grain now at Vancouver. The demurrage charges for the ships waiting there should be picked up by the federal government. The minister said this problem arose because of weather conditions. If it did arise because of weather conditions, surely it was an act of God and the government should help the farmers by at least paying the demurrage charges of the ships at Vancouver. The government should at least pay these charges for the first three months of this year. Surely this is not asking too much of the government. If the government wants hon. members on this side of the house to sincerely believe it is interested in helping the producers, it should do something to alleviate the problem in this regard rather than helping the middleman, because by its action the government is just increasing the problems of the producers.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, it is a good thing the minister finally went west, and saw for himself the situation that we face. I am sorry he has not seen fit to appoint a transport controller, or better still a co-ordinator who will take into consideration the whole movement of grain from the prairies to the west coast. The minister is, in effect, asking us to accept the proposition that the very committees which have failed to deal effectively with the situation in the immediate past are to be depended upon to do so in the

immediate future. We are supposed to depend on them to deliver the goods.

Essentially, we are still in the "wait and see" situation which we have experienced since last fall in regard to this problem. We will probably have to "wait and see" for some time yet before we know whether this committee is doing effectively the job it is supposed to do. Our figures show there is less wheat in store on the west coast than there was on January 24. Some 9,300,000 bushels are in store now as compared with about 12 million bushels then. In effect we have failed to keep supplies moving in fast enough to keep pace with the outward movement, let alone build up a reserve of grain so as to take care of sales as they are offered.

• (2:50 p.m.)

Farmers have a right to expect better co-operation from the grain handling companies and from the railways than they have received. We are asked to run our farms efficiently; this is constantly being preached to us. But our being efficient is not much use if services essential to moving the grain break down. We do not ask these companies to serve the industry out of a spirit of charity, or just to be good to us. They make money out of it, just as the farmers hope to do. But in a period of extreme need they have failed to deliver the goods. We all know this is a time of fierce competition for grain sales on the world market, and that this situation is likely to continue.

I am all in favour of the research which is presently being done to discover new systems of moving grain. If the grain companies and the railway companies can work out new methods in co-operation with the Department of Trade and Commerce, more power to them. But I am not satisfied that, up to now, they have made an all-out effort to get the grain in position.

I am pleased to have the assurance of the minister that steps will now be taken to this end. I hope those responsible for moving the grain do not let him down because, if they do, they are letting the farmers down also. What is badly needed is some confidence on the part of the farmer that this job is being properly handled. I will tell the minister through you, Mr. Speaker, that the confidence of the farmers in the government, the grain handling companies and in the railways is at an all-time low. If the people who purchase our grain overseas come to the conclusion that we cannot be relied on to deliver it, we are in bad shape.

I shall be pleased to see representatives of the Canadian Wheat Board and of the grain handling companies appear before the Standing Committee on Agriculture. In fact, I asked that the representatives of the Wheat Board should appear before now, but I was told—and I accepted the statement at the time—that they were too busy to do so. I hope they were too busy. Let us not forget that the first order for wheat for Japan was given away back in November.

In closing I urge that steps be taken to keep a day to day tab on shipping orders out of the elevators, and that a similar day to day check be kept of car loadings and their movement. Remember, it is necessary to unload between 550 and 600 cars a day at the terminals in Vancouver if we are to keep up to our commitments. I see the minister agrees with me.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I admit that the first time this serious question was raised in the house, I found it very difficult to determine who was right, since there were so many different opinions. Today, in the light of the minister's statement, I am sure that a problem existed. However, if one cares to set to work and to devote all one's energies to the task, it is possible to find a solution.

I congratulate the minister for his statement following his trip to western Canada to meet all the organizations interested in the movement of grain to various parts of Canada and also abroad.

Having listened to the encouraging remarks of the Minister of Industry, Trade and Commerce (Mr. Pepin), it will be interesting to follow the developments in this matter. I am sure that all members will be much interested in following progress in the next few days, and that grain handling will be done normally, bringing relief not only to the government, but also to grain producers who had to face a very serious problem.

Therefore, I congratulate the minister and I can assure him that the members of the Ralliement Créditiste will always be ready to help find a solution to problems which come under his department.

[*English*]

CANADIAN CURRENCY

EFFIGY OF FORMER PRIME MINISTERS ON BANK NOTES AND COINS

Mr. Ralph Stewart (Cochrane) moved for leave to introduce Bill No. C-168, respecting Canadian currency (Effigy of former Prime Ministers).

Some hon. Members: Explain.

Mr. Stewart (Cochrane): The purpose of this bill, Mr. Speaker, is to honour former Prime Ministers of Canada by placing their effigies on the obverse side of our currency. This will also give a character to our currency which is more Canadian.

In introducing this bill I think it is well to mention that there is a precedent for this; the effigy of our first Prime Minister appeared on the obverse side of one of our bank notes.

Some hon. Members: Hear, hear.

Mr. Stewart (Cochrane): I ask that this measure be referred to the appropriate committee.

Motion agreed to, bill read the first time and ordered to be printed.

ORAL QUESTION PERIOD

DOMINION-PROVINCIAL CONFERENCE

CONSULTATION WITH PROVINCES BEFORE PROCEEDING FURTHER WITH TAXING MEASURE

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister whether he would consider a suggestion I made a little earlier about the government deferring further action on the bill relating to estate tax and income tax until the provinces have been conferred with and consulted. In view of the importance of the matter, would he give it immediate attention?

I should like to ask the right hon. gentleman also whether he would consider consulting with the premiers about the modification of the position the government has taken with regard to the so-called 2 per cent social development tax and the refusal of the government to share this tax revenue with the provinces.

Right Hon. P.-E. Trudeau (Prime Minister): As to the first suggestion, my comment is, of course, that this proposal was made in the budget by the Minister of Finance last October and that he subsequently invited the provinces to discuss it with him. They have had several months in which to do so, and discussions have taken place. As the house knows, the Minister of Finance modified the proposals slightly in the light of those discussions. We felt this was sufficient consultation. Moreover, we repeat that we intend, when we overhaul in a basic way the tax system of this country, to proceed in the same way or alternatively by submitting a white paper. At that time the provinces will have even more time and more specific invitations to submit their views.

On the second point, about giving the provinces part of the 2 per cent tax, or the totality of the tax as some provinces suggest, my only comment is that if there were agreement by the Leader of the Opposition to the effect that he would not mind if we did not balance our budget, or if he recommended we come out with some other tax of our own for the purpose of balancing the budget, then we might be prepared to consider this. We raise money because we need it; we raise money because we believe that the budget should be balanced; and we raise money because we want to use it for federal purposes. We believe that the country has to have the assurance that the federal government is aiming toward a balanced budget, which it would not be doing if it gave the money produced by its taxes to the provinces.

Mr. Stanfield: A supplementary question, Mr. Speaker. I ask this question because it too might give some reassurance to the provinces. Is there any possibility that the tax reform measures of the government, the balance of the package that has not yet been disclosed, will be presented in the form of a white paper rather than in the form of a draft bill, as the Minister of Finance indicated previously?

Mr. Trudeau: Yes, Mr. Speaker, we have considered that possibility. Our first indication was that it would be a bill, because we felt that it would be more useful for all concerned to look at the exact measures in a bill, so that their precise effect could be studied. However, if there is sufficient argument made strongly for a white paper, the Minister of Finance has been telling me that he is prepared to consider that alternative if it appears more helpful to the house and the provinces.

Inquiries of the Ministry

PARLIAMENTARY COMMITTEE TO EXAMINE PROPOSALS MADE AT CONFERENCE

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker, so far as the government's position at the coming federal-provincial conference and what will happen later is concerned: In view of the fact that the government's position has now been made clear in a white paper, or in the document that has been tabled, and that the conference will probably focus attention upon all problems or differences that exist, and in view of the fact that according to the document that has been tabled there are changes purposed that will materially affect parliament's position and its future role, does the government still have insuperable objections to the establishment of a parliamentary committee following the federal-provincial conference to examine and review the proposals that have been made?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker I think the government would be prepared, if the leaders of the various parties agree, to set some time aside in the house, as we offered at the time of the last federal-provincial conference, to debate the results of the conference or the substance of the paper.

On the establishment of a continuing committee to take up the constitutional problem, I do not believe that this government's position has changed from that of Mr. Pearson's government. We still think that such a committee would cause a great deal of delay in the constitutional process. It is already a fairly lengthy and difficult process, with representatives of ten provinces carrying on discussions with representatives of the federal government at the subcommittee level, at the committee level and then at the ministerial level. If all of this would then have to be processed as well through a house committee, especially a committee of the house whose membership might include opposition members who do not agree on what kind of constitution we need, I think an endless amount of time would be taken. I am hoping we will be able to proceed in a more urgent fashion.

However, this does not preclude a clear statement by opposition parties on what they think we should do with the monarchy, or what they think we should do with the executive function, whether we should keep our parliamentary democracy or adopt a congressional system, and so on. All of these views would be extremely helpful, but we think that they could be stated quite clearly in a day or two and not require months and months.

Hon. George Hees (Prince Edward-Hastings): A further supplementary question, Mr. Speaker. Would not the setting up of such a parliamentary committee and having such discussion be quite consistent with the Prime Minister's views which he recently expressed about the desirability of consultation and dialogue, both in this house and throughout the country, on matters of this kind?

Mr. Trudeau: Mr. Speaker, consultation and dialogue on the constitution have been open, I repeat, since last February when the federal-provincial conference on the constitution began. There has been constant consultation and dialogue between the provinces and the federal government through the continuing committee of officials. In our caucus we have constantly encouraged discussion of the constitution, and we have encouraged it in the country every time we have talked about languages and everything else. We hope that the opposition will make up its own mind on what kind of constitution it wants for Canada and will say so clearly.

Mr. Hees: A further supplementary question, Mr. Speaker. Would not a logical addition to the consultation and dialogue that has been going on be consultation and dialogue within this house among members of parliament in general? Would that not be greatly beneficial to the government?

Mr. Trudeau: Mr. Speaker, the positions of the federal government, as stated in this paper, have been the object of long discussion within government ranks and within cabinet. All of the aspects of the suggested subjects on the agenda have been the object of dialogue, and we hope that the country will continue this dialogue.

Mr. Diefenbaker: The country will die!

Mr. Trudeau: We do not want the government to be prevented from proceeding because the opposition does not know what kind of constitution it wants.

Some hon. Members: Oh, oh.

Mr. Hees: I think the Prime Minister can do better than that.

Mr. Speaker: Order, please.

EXTERNAL AFFAIRS

MIDDLE EAST—EXCHANGES AMONG BIG POWERS AS TO SETTLEMENT

Mr. David Lewis (York South): Mr. Speaker, I should like to dialogue for a moment with the Secretary of State for External Affairs. Can he inform the house whether the Canadian government is being kept informed of the exchanges among the big four powers concerning the Middle East situation and the search for a settlement in that area?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker, I think we are being kept fairly well informed.

Mr. Lewis: A supplementary question. I am glad to hear that. In view of the direct involvement of each of the big four powers in the Middle East situation in ways that I do not need to detail—indeed, it would be out of order to do so—are these four powers keeping in touch with the Secretary General of the United Nations, and are they consulting with the United Nations mediator, Mr. Jarring, or proceeding entirely on their own? If the minister does not happen to have this information now, can he ascertain the position and let us know?

Mr. Sharp: I think I can answer fairly directly, Mr. Speaker. The house may recall that when I made a statement on the executions in Iraq I supported at that time the efforts of the four powers to bring about or to assist in a settlement in the Middle East. I also said that I thought the efforts of Ambassador Jarring, who acts on behalf of the Secretary General, should be supported. In the information that has been given to us about the efforts of the big four in this field, it is clear the big four all support and intend to continue to support the efforts of Ambassador Jarring.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. Is the minister's idea of a dialogue the same as the Prime Minister's—a long monologue interspersed with short bursts of applause from his docile backbenchers?

IRAQ—REACTION TO CANADIAN GOVERNMENT REPRESENTATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. May I ask the minister whether the question I directed to him some eight days ago in respect of the communication with the government of Iraq by the Canadian ambassador in regard to those ill-timed and heinous executions has received any reaction from the government of Iraq?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the message from the Canadian government to the Iraq government was delivered and received, but we have had no other reaction.

Mr. Diefenbaker: On what date was it delivered?

Mr. Sharp: I should like to take that question as notice, Mr. Speaker. It was delivered about the time I said it was.

Mr. Diefenbaker: You had better have more dialogue with your ambassadors.

[*Translation*]

EXPO '67

REQUEST FOR SUBSIDIES FOR "MAN AND HIS WORLD"

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I should like to put a question to the Minister of Finance.

He sent us this morning a news release which reads in part as follows:

> Mainly thanks to Expo, we have reduced by half our total deficit which now stands at $543 million,

In view of the help given by Expo, would the minister be willing to loosen the strings of the purse of the Department of Finance to save "Man and his World"?

Mr. Speaker: Once again, I feel the hon. member is repeating a question which has been put several times. On the other hand, in view of the importance of the question, the Minister of Finance may want to give a reply.

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, if my hon. friend would examine the statement I made last evening, a statement I sent to him and other hon. members, he would also see that our deficit in current account was also decreased during 1968 by another 50 per cent, down to about a quarter of a billion dollars. I think we should all be very proud of that.

With regard to the second part of the question, the government is not, to my knowledge, presently considering further assistance with respect to payments toward Expo, on which the people of Canada spent about $150 million.

Inquiries of the Ministry

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a supplementary question to the Minister of Industry, Trade and Commerce.

Since his return, has he had time to find a formula to keep "Man and His World" operating, or is he content to wait for the city of Montreal or the province of Quebec to take the initiative in this regard?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, I have not had time to do so, but I am under the impression that the chairman of the executive committee of the city of Montreal got in touch with the Prime Minister. I have not yet had time to contact the Prime Minister in this regard.

Mr. Valade: Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

Can he give us the results of his meeting with the chairman of the executive council of the city of Montreal?

Mr. Speaker: I am sorry, but exactly the same question was put yesterday.

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister.

Can he tell us if there will be a tripartite commission to deal with the management of "Man and His World"?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, again, my position is unchanged. I shall just repeat what I have already said several times.

I doubt whether the city and the people of Montreal, the people of Quebec and Canada in general still have much money for Expo. We are willing to discuss the proposal, if the province of Quebec and the city of Montreal so decide. I am afraid that the financial difficulties of the province of Quebec and of the city of Montreal, as well as our own, would leave very little room for hope to the members of the Ralliement Créditiste. They should know that there are, for our people, other priorities than that of Expo.

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I would like to ask a supplementary question.

Could not the Prime Minister assure the house that a loan without interest, like that which was recently granted to Brazil, might be managed to save "Man and His World"?

[Mr. Benson.]

[*English*]

POST OFFICE DEPARTMENT

SYMBOLIC PICKETING—FIVE DAY DELIVERY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the Postmaster General about the continuing dispute between his department and the letter carriers over straight-through delivery. Can the minister inform the house whether the letter carriers have advised him of their intention to commence symbolic picketing of post offices in Canada and whether he is again considering altering the date for the introduction of the five-day delivery?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, as soon as the question period is over I am meeting with the national executive of the council of letter carriers. We will explore all relevant questions. I have heard nothing about any picketing, symbolic or otherwise.

Mr. Macquarrie: A supplementary question, Mr. Speaker. Can the minister advise the house of the estimated annual dollar savings which will accrue from the obviously contentious straight-through delivery?

Mr. Speaker: Order, please. The hon. member is asking for statistical information or for the type of information which I suggest to him cannot be sought at this time.

Mr. Macquarrie: On a point of order, Mr. Speaker, a very important part of the public service of Canada has threatened industrial action over this matter. I am wondering whether it is not important for us to know the money value of what is involved.

[*Translation*]

EXPEDITIOUS DELIVERY OF PENSION CHEQUES

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to ask the minister whether he can give the house the assurance that the pension or any welfare cheques will be received on Friday whenever there is a long week-end.

I am asking this question, Mr. Speaker, because this year there are six months during which the delivery of cheques will be delayed for four days or more.

Mr. Speaker: I have serious doubts whether this is a supplementary question. Would the hon. member for Joliette have a question that would be a legitimate supplementary one?

POSITION RESPECTING ROD SERVICE CONTRACT

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to ask a supplementary question.

I should like the Postmaster General to tell the house whether he intends to reassure the employees of Rod Service Limited and whether the contracts between Rod Service Limited and the department will be honoured until March 1970.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the question is under consideration now.

[*English*]

IMMIGRATION

APPEAL BOARD DECISION RESPECTING POLISH SEAMEN

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I wonder whether the Minister of Manpower and Immigration would inform the house about the decision of the Immigration Appeal Board which last Monday reheard the case of the Polish refugee seamen. Does he intend to review and improve the regulations affecting refugees before ordering them to submit to a special inquiry?

Mr. McCleave: Mr. Speaker, on a point of order, I suggest that since this matter does not involve the responsibilities of the minister the question is out of order. In any event, the answer to it has been made public information through other media.

Mr. Speaker: Order, please. The hon. member was one of the hon. members, I believe, who asked questions about the very same matter. He was unhappy when I suggested the question might be delayed to the following day.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, if I might answer the question, I think the house will be interested in knowing that the Immigration Appeal Board dismissed the appeal of the nine Polish seamen, and four others. But in the exercise of its authority it ordered the department to allow the seamen to remain in Canada for a two-year period, after which time it will be determined whether they ought to be landed. In the case of two other Polish refugee seamen the board has reserved its decision.

Inquiries of the Ministry

EXTERNAL AFFAIRS

O.A.S.—POSSIBILITY OF CANADIAN MEMBERSHIP

Hon. George Hees (Prince Edward-Hastings): I can hardly believe my luck in being recognized, Mr. Speaker. May I direct my question to the Secretary of State for External Affairs. In his meeting yesterday with Mr. Plaza, the Secretary General of the Organization of American States, did he advise the Secretary General that Canada is considering entry into that organization or in any way moving closer toward that position?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in my conversation with the Secretary General I said what all hon. members of the house know, that we are considering the question and have not yet determined our position.

Mr. Gordon L. Fairweather (Fundy-Royal): A supplementary question Mr. Speaker. Will the minister make available the document given to him by Mr. Plaza, which is described as outlining a legal view of how Canada's relations with Cuba would be affected if Canada joined the O.A.S.?

Mr. Sharp: Mr. Speaker, the hon. gentleman sent me notice of this question. Perhaps I ought to correct one impression left by the news report. The Secretary General did not give me this memorandum personally; he gave it to the department. I should be very happy to discuss with him whether he would like to have it tabled. Other than that, we are quite willing to do so.

RURAL DEVELOPMENT

ARDA—ASSISTANCE IN DRAINAGE PROBLEMS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. A few days ago the hon. member for Huron (Mr. McKinley) and one or two other hon. members asked the minister questions about ARDA grants to be made available in the province of Ontario for purposes of drainage. At that time the minister took the question as notice. Is he now in a position to answer that question?

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I do not recall saying that I would take this matter into consideration. On the contrary, I

think I answered that decisions concerning drainage programs were the responsibility of the province and not of the federal government.

A limited amount of money is earmarked for drainage in our budget. All the commitments of the province will be respected but within our budgetary limitations.

[*English*]

Mr. Nesbitt: A supplementary question, Mr. Speaker. Am I to take it from the minister's answer that the federal government does not contribute anything to the province of Ontario at the present time for this purpose?

Mr. Marchand (Langelier): Of course we are, Mr. Speaker.

[*Translation*]

HOUSING

IMPLEMENTATION OF TASK FORCE RECOMMENDATIONS

Mr. Henri Latulippe (Compton): Mr. Speaker, in the absence of the minister concerned, I shall put my question to the Prime Minister.

Would he tell the house what steps the government intends to take, in co-operation with the provinces, to implement the recommendations contained in the Hellyer report?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the minister concerned was not scheduled to be in the house today. I think that he should be here tomorrow.

[*English*]

AGRICULTURE

P.E.I.—PHASING OUT OF EXPERIMENTAL FUR FARM

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I would like to direct this question to the Minister of Agriculture. Does the government have any plans to continue with the work which was carried on at the experimental fur farm in Prince Edward Island, which will soon be phased out?

Hon. H. A. Olson (Minister of Agriculture): I will take this question as notice, Mr. Speaker, and give my hon. friend a more detailed answer, although I am sure he is aware that a section of the new facilities on the farm in the Greenbelt will be devoted to research on fur-bearing animals.

THE BUDGET

REQUEST FOR PRESENTATION IN SPRING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question to the Minister of Finance. As the hon. member for Saint John-Lancaster would probably say, it is nice to have the minister here on one of his days off.

My question is based on a statement the minister made to the Montreal Bond Traders Association last evening in which he stated that once in a while bond dealers like to have statements as to the government's financial position. Will the minister treat parliament the same way, and will he now assure us there will be a budget presentation this spring?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have neither said there will or will not be a budget this spring. However, I indicated to the house I am quite willing at any time to review the financial position of the government. This is what I told the bond dealers last evening.

CONSUMER AFFAIRS

PERSONNEL OF PRICES AND INCOMES COMMISSION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Consumer and Corporate Affairs, who looks too unmolested to remain that way. When may we hope to learn the names of the members of the proposed prices and incomes commission, and the precise terms of reference of that commission?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No decision has been made in that regard, Mr. Speaker. For purposes of the terms of reference I am still consulting with various groups in Canada. On Tuesday next I am having a rather lengthy meeting with some of the officers of the Canadian Labour Congress and meetings with other groups will follow. No decision has yet been made on the membership of the board.

Mr. Stanfield: A supplementary question. Will we have to wait as long for the names of the commissioners as we had to wait for the white paper?

Mr. Basford: I hope not. The Leader of the Opposition had some reservations about the policy when it was initially announced. If he would like to make any suggestions to me as

to who should be on the board, I would be open to such suggestions.

Mr. A. D. Hales (Wellington): A supplementary to the Minister of Consumer and Corporate Affairs. Is it the intention of the Minister to establish or set up a research laboratory in connection with his new department?

Mr. Basford: Not precisely, Mr. Speaker. The standards division of the Department of Industry, Trade and Commerce was transferred to me in July. A survey of governmental laboratories available to the department has been made. We feel it would be unnecessary to set up our own specific laboratories. We are concerned, as are all departments of government, with keeping our expenditures as low as possible.

Some hon. Members: Oh, oh.

Mr. Baldwin: Have you looked at the estimates?

Mr. Hees: That is the humorous side of the news for today.

OFFICIAL LANGUAGES

REQUEST FOR EXPLANATION OF RIGHTS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Prime Minister. With regard to the Prime Minister's important statement Tuesday, relating the languages bill to English language rights in Quebec, will he at the first opportunity explain what those rights are and where they are set out?

Right Hon. P.-E. Trudeau (Prime Minister): I am not quite sure I understand the question, Mr. Speaker. The language rights in Quebec are defined by section 133 of the constitution, and by the laws that the province desires to enact under that constitutional provision. It is, of course a question of law.

Mr. Speaker: I was going to suggest to the hon. member that the question as he asked it seems to be very wide in scope. He is asking for a constitutional interpretation. I have the impression this is a debate which will take place at the constitutional conference and I do not think this should be entered into at this time.

Mr. Muir (Cape Breton-The Sydneys): I thank the Prime Minister for his reply, and I have a supplementary question, Mr. Speaker. Is the government studying the St. Laurent amendment of 1949, embodied in section 91(1) of the B.N.A. Act, which prohibits parliament from legislating language rights?

Mr. Trudeau: Yes, Mr. Speaker. In answer to another hon. member of the Conservative Party the other day I referred to section 91(1). There are many aspects of language bills, Mr. Speaker. They also come under property and civil rights. The right to contract in one language or another can, for example, be determined by the province.

TRANSPORT

DIGBY-SAINT JOHN FERRY TERMINALS

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Public Works. In view of the good news regarding the Digby-Saint John Ferry, will he make an announcement to the house soon in connection with the construction of terminals?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, it would be our hope that we shall have the terminals and approaches ready when the ship is ready. I made that statement in Saint John the other day.

Mr. J. P. Nowlan (Annapolis Valley): A supplementary question, Mr. Speaker. Has there been a firm agreement signed between the government and the company on the arrangements for the terminal facilities? If so, will the minister table that agreement?

Mr. Laing (Vancouver South): I do not think that agreement is a responsibility of my department.

Mr. Thomas M. Bell (Saint John-Lancaster): A supplementary, Mr. Speaker. As a result of the minister's visit to Saint John, is he planning for a greater percentage of his departmental expenditures in the maritime provinces, in view of the fact that central Canada got everything this year?

IMMIGRATION

APPEAL BOARD HEARINGS IN TORONTO

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the fact that an Immigration Appeal Board has been set up in Montreal, does the minister intend to set up an Immigration Appeal Board in Toronto in order to save appellants time and expense?

Inquiries of the Ministry

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The board is setting up a pilot project, Mr. Speaker, based in Montreal. A separate board has not been set up there. The question of a similar project in Toronto will be given consideration in the future.

GRAIN

INCREASED SHIPMENTS THROUGH WEST COAST PORTS—QUOTAS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Following his optimistic pep-up statement of a little while ago, so the western farmers will have some idea as to what they may expect can he tell the house what is the projected increase in the number of bushels exported through the Pacific coast ports that now can be expected, in view of the changes which have been made? Second, what hope is there of an increase in the quota for the various parts of western Canada? They are operating under very low quotas with the result that the farmers' credit facilities have almost been exhausted.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): If I could answer the first question, Mr. Speaker, I would be God. I cannot give an answer because, as the right hon. gentlemen knows, there are constant negotiations between the Wheat Board and foreign importers. I cannot say what the exports will be from west coast ports. With respect to the quota, the chief commissioner of the Wheat Board has said that he hopes to make it a six-bushel quota in due course.

Mr. Diefenbaker: Mr. Speaker, I have never ascribed the powers or authority of the Deity to the hon. gentleman, and I want that to be perfectly clear. But with the return to reasonable normalcy in climatic conditions surely there must be some expectation of what the increase in exports will be during the next month or so over what they have been during the last two months? I know the minister has figures on that.

Mr. Pepin: Mr. Speaker, I have the figures comparing last year with this year. They show for all wheat grades up to January 21 this year 152 million bushels compared with 125 million bushels last year, and with respect to all grains 178 million bushels this year up to January 21 as opposed to 158 million bushels last year.

Mr. Diefenbaker: Are those figures for exports by way of the Pacific coast?

Mr. Trudeau: It does not matter as long we sell it.

Mr. Diefenbaker: Surely the minister knows the figures for the west coast?

Mr. Pepin: I would like to be generous—

Mr. Speaker: Order, please.

Mr. Pepin: Mr. Speaker—

Mr. Speaker: Order. Would the minister resume his seat. The hon. member for Halifax-East Hants.

[*Later:*]

Mr. Pepin: Mr. Speaker, may I make a clear supplementary statement in answer to the right hon. member for Prince Albert, because I know he is impatient to know the figures. The figures for exports last year were about 355 million bushels. The chief commissioner of the Wheat Board has said in recent days that he hopes to do as well this year and possibly go up to 350 million bushels, but I have not got exact figures for the west coast. I will get them for tomorrow.

CANADIAN BROADCASTING CORPORATION

REMARKS BY FERNAND GUERARD ON JOINT BROADCAST

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to direct a question to the Parliamentary Secretary to the Secretary of State, of which I gave the hon. gentleman notice. It has urgency because of the meeting next Monday of the broadcasting committee in Montreal with employees of the Canadian Broadcasting Corporation. Would the Parliamentary Secretary use his good offices to help the members of that committee by speeding up the return to Order No. 66 made by this house on January 29 and set forth at page 636 of *Votes and Proceedings*?

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would be glad to do that. It is being translated so that the hon. member will get it in both official languages at once. I hope it will be ready tomorrow.

POST OFFICE DEPARTMENT

DIRECTIVE RESPECTING CHANGES OF ADDRESS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, may I direct a question to the Postmaster General. Could he tell the House whether he has instructed postal staff across Canada not to waste time trying to find new addresses for people who have moved and, if so, would he say what advance notice the public had of this new directive?

Hon. Eric W. Kierans (Postmaster General): The answer is no, Mr. Speaker.

[*Translation*]

HOUSING

REQUEST FOR REDUCED INTEREST RATES

Mr. Henri Latulippe (Compton): Mr. Speaker, I should like to direct a question to the Minister of Finance.

Could he tell the house whether the government intends to decrease taxes on building materials and the interest rates on mortgages for residential housing in order to comply with the recommendations contained in the Hellyer report?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, unless I misunderstood the question, I believe I answered it a day or two ago, but if I have misunderstood it I will get supplementary information for the hon. member tomorrow.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, if I may I would like to make the weekly statement on business for the next week. Tomorrow, Friday, we will commence with the report stage of the bill to establish the Freshwater Fish Marketing Corporation, item No. 30 on the Order Paper, to be followed by continuation of second reading on item No. 23, the bill to amend the Canadian Overseas Telecommunication Corporation Act. We will follow that with item No. 27, the Precious Metals Marking Act, which is at the report stage. If we complete those stages tomorrow we will then turn to Bill C-154, item No. 18, with respect to pesticides.

On Monday it would be our intention to call for third reading of the Precious Metals

Marking Act, assuming that the report stage has been adopted on Friday and then, on the same basis, the third reading of the bill dealing with the Freshwater Fish Marketing Corporation. We would then call second reading of the bill to amend the Export and Import Permits Act, which is item No. 49, and thereafter third reading of items Nos. 33 and 41 respectively concerning the Aeronautics Act and the Navigable Waters Protection Act.

On Tuesday, as I have already indicated, we would call again the motion for second reading of the omnibus Criminal Code bill on the understanding that if all those who wish to speak do so before the close of the sitting that day the debate would be adjourned so that the Minister of Justice, who will be absent next week at the federal-provincial conference could come into the house the following week and, in closing the debate, reply to remarks that have been made.

On Wednesday and Thursday of next week it would be our proposal to call Bills C-154 and C-155, and depending upon the progress of those bills it would be the intention then to call Bill C-151, the Fisheries Improvement Loans Act, which I understand passed the committee today.

Mr. Baldwin: Mr. Speaker, may I ask the hon. gentleman whether it is quite clear that the omnibus amendments to the Criminal Code will only be called for Tuesday, and that the other items mentioned by the hon. gentleman will be proceeded with on Wednesday and Thursday irrespective of whether the motion for second reading of the Criminal Code bill has been completed on Tuesday?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. With further consultation it might be possible to call that bill again later in the week, but it is hoped to go ahead with the farm bills on Wednesday.

Mr. Schreyer: On a point of order, Mr. Speaker, since the President of the Privy Council has given the order of business for the next several days I think it is appropriate to ask the minister what he has in mind to deal with the report of the committee on transportation. That committee presented its second report to the house on December 3 last. More than two months have passed and there has been no motion for concurrence made. Could the minister indicate what will be done in this regard?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member may not be aware of the

fact that that report has been made the subject matter of a reference to the Standing Committee on Privileges and Elections. It seems appropriate that that committee should arrive at its findings on that particular report before any further action is taken on it.

Mr. Schreyer: Still on the point of order, Mr. Speaker, I would like the minister to indicate how much longer the Standing Committee on Privileges and Elections will be studying that report?

Mr. Speaker: Order, please. The hon. member cannot ask this question. He is now dealing with the deliberations of a committee and this cannot be debated.

GOVERNMENT ORDERS

INCOME TAX ACT AND ESTATE TAX ACT

The house resumed, from Wednesday, February 5, consideration of the motion of Mr. Benson for the second reading and reference to a Committee of the Whole of Bill C-165, to amend the Income Tax Act and the Estate Tax Act, and the amendment thereto of Mr. Saltsman (p. 5191).

Mr. Barney Danson (York-North): Mr. Speaker, I choose to rise in support of this new estate tax legislation because along with my colleagues I have studied its features and consider it not only very good legislation but legislation which reflects the Liberal position in relation to taxation. In doing so it highlights the principal differences between the various political philosophies represented in this house.

An hon. Member: A big "L"?

Mr. Danson: A big "L" which has a small "l" connotation. It is legislation that is a distinct departure and, I believe, an improvement over that which previously existed. The recognition of the equal yet very special status of the widow is important. It recognizes the changing role of women in our society and their fundamental rights. At the same time it recognizes that they are still women, and for that we are truly grateful.

Now for the first time widows will not be faced with agonizing decisions for which they are frequently unprepared or unequipped at a time when they are making, I believe, the most difficult adjustment of their lives.

[Mr. Macdonald (Rosedale).]

However, this brings up the possible unwritten gigolo provision in the legislation which makes some of these widows who become heirs to estates particularly susceptible, and we hope some of these estates will not be loved away.

The bill recognizes the importance of education in our society by quite reasonable allowances for children during the period of their education and well into university. This hopefully will prevent the early drop-out of children forced to produce income owing to the loss of the breadwinner in the family. This is particularly important in an age of increasing technological advance when the quality of education is much more important and is becoming even more important than ever before. It further recognizes the special responsibility of families with handicapped children. I think this is one of the matters of particular concern to legislators. In my own range of priorities first consideration must go to the aged and others who cannot look after themselves. This includes the handicapped and those in jails. Second priority must go to the youth. The rest of us in our middle-aged predicament will have problems which must be dealt with, but the first priorities in my view belong in those areas.

• (3:40 p.m.)

Another interesting aspect of this bill is that it meets the problem of a widower who too must make adjustments and provide for his children while he continues to work and while his family is growing up. I think in every respect this is very thoughtful and humane legislation in all its manifestations.

The main criticism of this bill by my Conservative friends is that it will dampen initiative and cause the sale of family farms and businesses while penalizing success, to use the words of the hon. member for Edmonton West (Mr. Lambert). My N.D.P. friends claim that it does not go far enough as an income leveller. They consider a buck is a buck in the Carter sense, and we have not accepted that.

I suggest that much of the criticism has been without thought or adequate knowledge of the implications of the bill or that it has been tragically irresponsible in creating a totally unwarranted hysteria among segments of society which will be unaffected or minimally affected. I must compliment the hon. member for Waterloo (Mr. Saltsman) for mentioning and stressing this in his talk yesterday.

The small farm or small business will almost always be exempt. Those not so small will pay some tax as before. In some cases they will pay a little less and in others a little more depending on the circumstances, but in no case will their situation be so drastically different that it will change the ultimate disposition of the estate.

The demise of the family farm is a matter of serious concern to society, to government and, of course, to the farmers themselves. I submit that this problem exists with or without estate taxes. The prime concern of the farmer, indeed of all businessmen—and the farmer today must operate as a businessman—is that of economics, productivity and profitability. Another major factor in family farming is the willingness or lack of willingness of sons to remain on the farm. More and more farm children are choosing educational pursuits and skills which attract them to other endeavours and regions, particularly urban centres.

This legislation is being used as a smokescreen by some to place the blame for a much larger problem on the shoulders of the government. I hope it might have some beneficial results. Just as the farmer has had to change from the horse to the tractor, just as he has had to become more scientific in his approach to basic farming, the farmer now will have to be more inclined to seek needed professional advice in preparing his estate. He should consult a lawyer, accountant, trust company or even a well qualified life insurance underwriter to determine the structure of his assets in his lifetime and in preparation for his death.

The mortality rate among farmers is the same as for all Canadians, 100 per cent. I think the farmer or small businessman who seeks such advice will be surprised to learn how little, if at all, the new amendments affect him. If they do he has the pay-out period of five years now so that he can plan his pay-back of estate taxes if they are burdensome. Under a special appeal to the minister I am sure that in special circumstances he could have an even longer period.

In so far as penalizing success is concerned I suggest that this reflects a type of thinking that went out the window generations ago. Most of us in our society recognize that those who for a number of reasons are blessed with material success above the norm have an obligation to those less fortunate. Most men of wealth accept also the responsibilities of wealth; if they do not, they should.

If these amendments meant that all wealth was to be completely equalized and if they did not allow for reasonable retention of the main fruits of one's efforts, initiative and entrepreneurship, they would indeed warrant some of the hysterical criticism that the social and economic Neanderthals are hurling, but I suggest there is still a great deal left. I am not at all convinced that substantial inherited wealth is at all desirable for the proper development of one's children. We want to give these children a good start in life, a good education and an opportunity to prosper, but I do not think we necessarily want to give them a future on a silver platter. A sense of values comes into play here. Children today are questioning these values. I suggest to the gentlemen opposite and to my left that their value judgments, if indeed they are judgments at all rather than reflex actions, are far out of tune with our times and with the very children for whom they allege they speak.

This past weekend I had a constituent call me who was very concerned about this bill because he thought his estate was being absolutely devastated. In speaking to the man a little further and finally realizing who he was I found out that his estate consisted of many millions of dollars. The problem was whether he was going to leave $4 million or $5 million, $3 million or $5 million—it really does not matter very much. That man was very concerned about giving his children a good start. I suggest that children with $2 million or $3 million are not getting a bad start. On the other hand, there is the converse; I am not really sure this is a good start for kids.

There is an exception which should interest us as legislators. There is a very interesting tradition of inherited wealth being beneficial. This is in a case where families—the Kennedys perhaps are the best example—have gone into public service and have used that wealth constructively, even ill-gotten wealth, I think, in some cases. I should not mention names of families because some people might think I am singling out the Kennedys or the Rockefellers. But the result of the efforts of these families has been really quite valuable. It is families of this type we should choose to emulate among those who are fortunate enough to inherit such wealth.

There is another important economic factor involved. I refer to the continuation of the family business with family management. In my experience, for every example of successful second or third generation family management of a business there are at least ten

examples of failure. Professional management is becoming more essential and this nostalgia for the good old days perpetrates a myth from which, if continued, the industries of this nation could suffer severely.

I do not believe the new estate taxes in themselves will result in additional sales of family businesses. I hope that such businesses will continue to be sold when the next generation does not have the drive, the desire or the skill to ensure their dynamic continuance. There are lots of Canadian dollars looking for investment as indicated in the York University study, but even foreign dollars combined with dynamic management are far preferable to home-grown and inherited mediocrity.

The pay-out period gives opportunity to dispose of the inheritance on a fair basis and make the proper deal that should be made. It will not involve a forced sale because there are many people looking for businesses today.

Then we have this talk about killing initiative. The people who are supposedly affected by the highest rates are generally beyond the stage where money is the sole object. The money, the profitable balance sheet, is the scoreboard of success. These men want the challenge, the accomplishment, even the power, power to be used responsibly, I believe, and for constructive purposes. The men with ideas, the leaders, the entrepreneurs, the men who provide the dynamics of our society and economy have many motivations. Money is only one. After a certain level of accomplishment its value is used only as a measuring stick of success or for achieving greater success. Someone has said that most men are self-made but that only the successful admit it. I am not sure that is always true.

• (3:50 p.m.)

My friends in the N.D.P., I regret, fail to recognize the value of this device and the need for a realistic measurement of accomplishment. They somehow consider profit immoral while the greater immorality is the lack of profit, for it is profit that makes investment possible. It is profit that makes higher wages possible. It is profit that makes research possible, and it is profit that makes taxes possible. It is the misuse of profit or its achievement by improper means which is truly immoral. This immorality is almost as great as the toleration and encouragement of this immorality by others, including government.

This is a most interesting debate because the problems we are talking about are problems of success and of affluence. We have people now with sufficient assets to be concerned about estates, although we find a lot of their concerns are unfounded. How much more fortunate we are to face these problems than problems of the lack of prosperity. Certainly there are areas and pockets which have been shamefully neglected and with which we should be dealing much more vigourously, but in the main we are all living better than ever before.

Our problems are problems of priority in necessities which we considered luxuries a few years ago. Most people today do not face the difficult decision of whether to buy a car but really how expensive a car and, in a growing number of cases, how many cars. Many people are worried about whether to buy a coloured television set or a second black and white set for the recreation room or the bedroom, or a new outboard motor or a skidoo. This does not apply to all our population but to a very large and growing segment of it.

We have so much going for us in this country that we should really be counting our blessings. Certainly we have problems that we must face and tackle vigourously. Some of these will be solved and others will not, and when we solve some then there will be new ones we never expected. The danger is in losing perspective. Some cry gloom and doom whenever we make a progressive step, as we are now in updating and humanizing our estate laws, changes I support with considerable enthusiasm, and it worries me terribly that there is an element of a lunatic fringe which brands it socialist or neo-communistic. Some of my friends opposite are encouraging this hysteria. I am afraid they are backing themselves into a corner from which they may never emerge, but perhaps that is a good thing.

We must have a responsible alternative to the government, but by encouraging this hysteria and this lunatic fringe hon. members do not prove themselves to be a responsible alternative. Instead, they run the risk of losing their credibility. I think this is a pity because one never knows but that in 15 or 20 years the people of Canada might want a change of government. Those who seek to fill the position at that time may well have lost this responsibility. I do not suggest they have done so; I just suggest it is possible.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, it has been made pretty clear by the Minister of Finance (Mr. Benson) that we are not dealing here with a

revenue measure. This measure is not put forward for the purpose of raising money but as a measure of social and tax reform. The minister told us yesterday that only 5 per cent of the people of Canada would ever pay estate taxes. I do not know whether he intended to suggest that what happens to the other 95 per cent is of little concern—I do not suppose he really meant that—but that was one possible inference to be taken from his attitude.

When the minister put forward his bill in its initial form, which would have meant taxing very small estates, he must have known that it would have affected hundreds of thousands of estates. The minister shakes his head, but considering an estate of $20,000 to $40,000 and the constant deterioration of the value of money, it would have begun to affect a very substantial proportion of the Canadian people.

Mr. Benson: Three thousand estates.

Mr. Stanfield: My friend made his speech and, incidentally, failed to give me some information which I sought.

Mr. Benson: On a question of privilege, Mr. Speaker, my hon. friend asked yesterday for information which I have asked the department to provide. It has not come to hand but it is on the way along with answers to questions posed by the hon. member for Edmonton West (Mr. Lambert).

Mr. Stanfield: It is surprising to me that the minister would have presented this measure to the house without having this information at his fingertips.

Mr. Benson: I have it in the department.

Mr. Stanfield: There are two or three objectionable features to the bill as it now stands. I admit it is not nearly as bad as when first introduced, but I would have much more respect and confidence if the minister had been prepared to admit that he made some very serious errors in judgment in respect of the first bill introduced. The fact that he introduced a bill with so many grievous and obvious errors, from which he has now retreated, does not give me very much confidence in his judgment to persist in going ahead with the bill as it now stands.

First of all I should like to emphasize that the bill is very objectionable on the basis of federal-provincial relations. I do not refer so much to the bill itself as to the manner in which the minister has proceeded. The government gave the assurance to the premiers of the provinces in regard to any tax measures that it would not necessarily consult them in advance but would at the very minimum make sure there would be a full opportunity to consider them. In this instance no such course was followed. This assurance given by the government of Canada has not been fulfilled. This has provoked a further serious deterioration of federal-provincial relations.

The provinces have a very genuine right to be consulted about a bill such as this. They are concerned about the possible effects of legislation upon rates of growth and incentives in the provinces. They are concerned about social policies affecting the family. I am sure the minister would not assume that he and his colleagues are in any position to be the sole repositories of wisdom respecting social policies relating to families.

Several of the provinces are in the business of collecting succession duties. These changes are bound to cause confusion and difficulty in those provinces. To be frank about it, one would almost wonder whether this procedure on the part of the minister, on top of the hard line he has adopted with the provinces generally, is not deliberately provocative. Certainly it has resulted in confusion. This method of procedure is absolutely inexcusable by any standard one may choose to judge.

Is there any need to proceed with this particular aspect of tax reform without a white paper or the draft bill which the minister promised to present to the whole country before the government proceeded with reform? Such a procedure would give the whole country, provinces and individuals, the opportunity to consider the measures, to criticize them and make suggestions about changes. Was there the slightest possible reason for the minister coming forward with what was certainly originally a half-baked measure introduced as a tax measure before it had been adequately considered?

We continue to hear comments from the other side of the house about participation and discussion; yet the government is constantly producing measures about which there has been no consultation or discussion. These have ranged from measures such as the one before us to the secret abolition of the Atlantic Development Board. This makes a farce of all the assurances about participatory democracy and discussion. This in itself is sufficient

reason for the house to throw out this bill—because of the manner in which the Minister of Finance has proceeded, because of the slap in the face he has given the provinces, and because of the damage the bill is doing to federal-provincial relations at a very important time in our history. This example makes some of us at least very sceptical about how much discussion of tax reform there will be when the minister is ready to present his measures for our consideration.

• (4:00 p.m.)

Coming to the taxing aspects of the bill, the so-called reform aspects, I want to make it very clear that the question at issue is not the principle of succession duties. I would be among the first to agree with the Minister of Finance that progressive rates of taxation are perfectly valid and justified and, indeed, required in the field of succession duties. I agree that this is one of the two areas in which progressive taxation is possible. So never mind all these red herrings about abolishing succession duties or talking about how much would be involved in the complete abolition of succession duties. This is not the issue. Let us talk about the issue before the house. It is not a question of whether we should have a progressive rate of taxation. The question is, have we a correct rate of progression or is the proposed rate of progression too heavy within certain categories?

The previous speaker talked about a man worth $4 million or $5 million. We need not worry about that man. The chances are he has such good legal advice that in the end the Minister of Finance will not collect too much in taxes from him anyway. We are not concerned about him, because this bill will not very much alter the effects of taxation upon a man with $4 million or $5 million. But the bill will have a very serious effect on the man in the middle range by virtue of the rates of taxation going up very sharply and reaching the maximum at $300,000 instead of $2 million.

So let us talk straight, Mr. Speaker. Let us not confuse the issue with a lot of pretence that the fate of multimillionaires is at stake. They are not the people about whom we are concerned. They are not the people who will be affected by this bill. In all probability the person who will be affected by the bill is the western farmer whom the Minister of Agriculture (Mr. Olson) a few weeks ago was trying to help by providing him with more loan capital. This bill will also adversely affect the moderately small businessman whose role in the economy the government is always so loud in praising. Lord knows, he is having a hard enough time anyway holding out and making his way against the corporate giants who are constantly surrounding and pressing him.

So the question is not the abolition of succession duties. It is not whether we should have progressive rates of taxation. The question is whether the progressive rates proposed in this measure are wise. The provisions of this bill represent a sharp increase in the maximum rates which hits the middle range income people most of all. I suggest the bill is likely to have a substantial effect on the incentive and drive of this kind of man. I believe the hon. member who preceded me would be inclined to agree that this is so. The hon. member was a little confused and perhaps did not realize the effect of this bill on the small man. He was perhaps confused by the telephone call he received about the man who is likely to die with an estate of $4 million or $5 million. He was quite right not to be concerned about him particularly but quite wrong not to be concerned about the man who has built up a small enterprise which will be hard hit in this way.

The Minister of Finance said that the estate of the family farmer who has one son and dies leaving a farm worth $200,000 would be subject to a tax of about $43,000. He said the son should be prepared to take this on as a mortgage. But if that farmer was moving ahead and increasing his capital, as he should have been to improve the operations of the farm, the chances are that the farm is already subject to a substantial mortgage. The minister can make abstractions and quote examples which suit his convenience, but they may be very far from appropriate to the conditions that exist. This bill will mean that if a man spends some years on a farm he will have to make sure that he does not enter into new undertakings which will involve him in substantial debt in relation to his enterprise, because in addition to anything undertaken in this way his son will have to take on a further heavy mortgage in order to meet the increased estate taxes that the minister is trying to impose in this bill.

I would like to know, and we should know for the purpose of this debate, how much money we are talking about. How much does it cost the Department of Finance to grant these exemptions as between husband and wife? The minister came in the house yesterday and built a straw man of $200 million.

We are not talking about $200 million. We are not talking about $100 million. What are we talking about—$10 million, $15 million, $20 million? How can we discuss this measure intelligently when the minister cannot tell us what is involved?

Mr. Benson: I will tell you tomorrow.

Mr. Stanfield: Mr. Speaker, the minister says he will tell me tomorrow.

Mr. Benson: Or later this evening, if you stay in the house.

Mr. Stanfield: I am just as capable of staying in the house as my hon. friend. When the Minister of Finance is trying to persuade the house that we should adopt certain tax increases for certain categories of people, I think he should be able to tell us, and it was his duty to tell us long ago, how much money he is talking about. We need to know the amount he is talking about so we can judge whether the risks we are running with regard to the incentives of people, for example, are in any way commensurate with the amount of money involved. Is the Minister of Finance going to endanger the initiative of people in this income or property range?

This bill will possibly have a very profound effect on agriculture and also the more prosperous parts of the country which are moving ahead rapidly. The businessmen in these areas will be adversely affected by the provisions of the bill. Is the minister going to do this for $10 million, $20 million, or something of this sort? Why cannot he tell us? It is all very well if one adopts the position of a socialist economy and takes the attitude that these incentives are not important. That is at least consistent. But if we believe that this kind of drive and energy is important to the maintenance of private enterprise, we have to exercise some care in the degree to which we impose these taxes.

I repeat that we should certainly subject these people to succession duties, we should certainly subject them to progressive rates of taxation, but let us do it in a sensible way. I say again that the Minister of Finance is not hitting the wealthy man, he is not hitting the multimillionaire. He tried to hit the fellow right at the bottom but was scared off and is now hitting the fellow in the middle. He is not doing anything very substantial about the wealthy man. I do not know why we should be asked to grant an unlimited exemption in respect of transfers between husband and wife. Suppose a man has $50 million; why should we be asked to permit him to transfer the whole amount free of tax to his spouse?

I think there is a lot of nonsense in this bill. Incidentally, the bill obviously makes it more difficult for anybody to take reasonable care of an aged parent either during the lifetime of the child or after his or her death. There can be no question about this. The bill makes it much more difficult to meet many of the obligations involved in ordinary family life. That is why I say it is half-baked. Certainly, no reasonable person would criticize the provision for easy transfer to a wife. There is no question about that. The question is whether the other things which have been done have not made it unnecessarily difficult to help other dependants, members of the family, possibly including an aged mother, whether they are not imposing an undue burden not on the wealthy but on the people in the middle.

• (4:10 p.m.)

Now, sir, I would think there are better ways of raising the revenue that is involved. Perhaps that is a foolish thing to say because the minister does not seem to know how much revenue is in fact involved. But I suspect there are better ways of raising this money, possibly by means of some kind of tax on non-essential items of consumption. I agree the bill is not as bad as it was initially and I congratulate the minister on at least backing away from some of the absurdities involved in the original proposal. When it was first put forward in the house he refused to acknowledge the injustice and the confusion he was creating. Somebody, thank God—I do not care who it was—persuaded him that the action he was contemplating was too foolish for even this government to get away with.

Some hon. Members: Hear, hear.

Mr. Stanfield: I suggested earlier in the day that having regard to the bad feeling which has arisen between the federal government and the provinces as a result of measures such as this, the bill should be deferred at least until there has been further consultation. A reasonable course for the minister to follow would be to incorporate this proposal in his white paper. I suppose the hon. gentleman will tell me he was so anxious to help the wives and the widows that he could not delay things. Well, I have no objection to his going ahead to deal with that aspect, but I believe far more consideration ought to be given to the other questions involved such as

the possibility of providing for other members of a family. In addition, much more consideration should be given to means by which the money which the minister is yielding by making these concessions with respect to transfers between husbands and wives can be replaced.

Without taking any more time, Mr. Speaker, I say that the procedure followed by the minister with respect to consultation with the provinces and with the people of Canada was wrong and inexcusable. It involved a breach of an undertaking given specifically to the provinces and generally to the Canadian people that tax reforms would be incorporated in a white paper or in a draft bill. I am glad to note from what was said earlier today that the government appears to be having second thoughts about its position in this regard and will perhaps come forward with a white paper as it was originally supposed to do.

The house is now being asked to deal with a piecemeal, haphazard measure. We shall certainly support the minister in granting reasonable relief to a reasonable extent in connection with transfers between husbands and wives, but we do not wish to be a party to actions which will be detrimental to relations with the provinces, which will perhaps cause damage to an important sector of the economy and place an unjust bill on hundreds or thousands of individual Canadians who find themselves having to accept responsibility as virtually the sole support of a mother or a father.

I think this is a bad bill on a number of counts. I hope the minister can be persuaded, if not by me then by some of his more sensible backbenchers or colleagues, to put the whole thing into cold storage until it has been thought about a little more.

Mr. Steven Otto (York East): Mr. Speaker, I have listened with great attention to the right hon. gentleman—

Mr. Stanfield: Not yet.

Mr. Otto: —and to the hon. member for Edmonton West (Mr. Lambert). I do not intend to review the specific problems they mentioned, but I thought I should answer the question raised by the Leader of the Opposition (Mr. Stanfield) when he asked why a wife should be exempt from tax as this proposal suggests.

I believe the minister has presumed, as we have the right to presume today, that a wife has a very important role to play in the acquisition of an estate. It is not the husband alone who is responsible for its accumulation. Very often today the wife works to help improve her family's position. That is one reason for bringing forward this reform.

For the last three or four months we have been hearing hon. members ask: where are the reform measures which this swinging Prime Minister (Mr. Trudeau) was going to introduce? Where are these reforms?

An hon. Member: A good question.

Mr. Otto: Well, reform means change. But it seems to me that the opposition—and I am not speaking now only about hon. members opposite but also of opposition on this side of the house—tends to say: we want the reforms but don't change this, or don't change that. How can there be reform without change? This is the issue which is involved in the bill before us.

I agree with the Leader of the Opposition that this measure should possibly have been introduced along with other reform measures. I believe Carter was right when he said that if it was intended to introduce a large number of changes, especially in the taxation field, they should all be introduced together, not piece by piece. You see, Mr. Speaker, the people who will be hurt by this bill are not likely to forget it when we introduce another measure later which will be of benefit to them, for example, the single taxation of corporations. On the other hand, members on the other side who are pleased to see the introduction of this bill will condemn us anyway if we remove the burden of double taxation from corporations. All these changes should have been introduced together. Possibly the Leader of the Opposition was right on this point.

However, there is another point to be considered. It is essential that as much time as possible be given to those who are responsible for the planning of estates. The disposal of estates has to be thought out carefully and in advance. Wills have to be made. Notice is now given that when this bill becomes law all those responsible for estates must prepare themselves.

Let me deal with some of the objections raised specifically by the hon. member for Edmonton West. He criticized the bill because it would mean, he said, the dispersion of capital. This argument was based on the presumption that all inherited wealth is immediately invested in corporate or other fields of investment. This is nonsense. Inherited

wealth is not, in the main, the source of investment capital. I should like to know where the hon. member got the facts upon which he based his presumption. I do not think that presumption is valid. Nor, as the hon. member for York North (Mr. Danson) pointed out a little while ago, is the presumption valid that there is something sacred or sanctified about the continuation of family corporations. I think he was accurate when he said that approximately 10 per cent of such corporations are successful and the majority not. It is not likely that we will get succession of ability merely because a son's father had brain and drive. This is not so.

• (4:20 p.m.)

Consider also that when most corporations reach the stage where succession duties become a problem a move is made toward public subscription, at the same time maintaining the power structure within the family unit or among friends. If there is any one thing in Canada that is the cause of inefficiency so far as industrial growth is concerned, it is that we tend too much to keep control of corporations in the hands of family units.

Mr. Porter, in his volume "The Vertical Mosaic", was quite right when he said that it is one of the detriments of Canadian corporate society that about 85 per cent of our wealth is controlled by 190 families. You cannot expect the constant and certain succession of ability merely because the father of the family left sons behind him to run the business. History and experience teach that the opposite is true. Facts from across the border indicate that it is much more advantageous to introduce new blood into a corporation than to keep it in the family. However, I accept the fact that the hon. gentleman was obviously quite successful in the business in which he engaged before becoming Leader of the Opposition and premier of Nova Scotia.

Let me say a word about farms. The hon. member for Edmonton West (Mr. Lambert) said that in cases where farmers have two or three sons working on the farm to make the enterprise successful who do not have any income of their own, it would be unfair when the father died to expect them to pay succession duties or estate tax. Let me put the proposition another way. What would the hon. gentleman say if I had stated that it would be quite proper, using the same analogy, to allow an executive in a plant to draw an income of, say, $4,000 a year and to receive $200,000 or $300,000 worth of corporation shares tax free when he retired? He would scream blue murder. But the fact is that even though farmers' sons do not draw any income or pay income tax, they are still taxed at the death of their father.

As I have suggested to the minister, I would be in favour of letting beneficiaries amortize their inheritance, if they so chose, over a period of ten years by paying income tax annually and then having a lump sum tax free. But they cannot have it both ways. You cannot put one group of people into one category and, as the minister said, put another group in another category.

Further, the hon. gentleman said that there was something very evil about corporation farms rather than the preservation of family farms. It seems to me there is a place for family farms if people want to continue farming. But many western farmers are not really family farmers as much as men running a business. They have to watch the stock market and feed prices in the same way that other businesses have to watch for certain indicators. Provision should be made in other legislation to give them the same opportunity to receive capital and an adequate supply of labour. But the small family farmer is not going to be hit by this bill. He will not have an estate to worry about. It is the large farmer who runs a big farm as a business who will have to worry, the same as other large businesses; they are both in the same position. I can see no rationalization whatever in putting farmers in a position different from other citizens.

The corporate farm, which was condemned, is not in issue here. However, I submit that in some cases it can be justified. After all, if we are going to consider farming as an industry we have to make it as efficient as possible. If corporation farming is the most efficient way for the industry to operate, then what is wrong with it? If the purpose were to have farms for the exclusive use of large corporations, that would be a different matter. But that is not the purpose. The purpose of farming is to produce the most on the least amount of land in the most efficient way.

Let me now get down to the main issue, which is whether we acknowledge the fact that there is such a thing as inherited privilege and whether we are going to perpetuate it in the face of world opinion and the movement forward. Everyone wants to leave a mark on this earth. It seems that Canadians and Americans especially want to leave something for future generations. But the fact is that future generations do not want it. They

want to make a start on an equal basis. They want education, and this we are providing. They want the same chances as other individuals. Certainly I think that the idea of leaving behind some privilege is passé; it is square. It is only our generation, our square generation, that is so concerned about it.

Let me put it another way. If we accept the idea of inherited privilege what, then, is the purpose of the legislation to assist education? If I read it correctly, it seems to me that we have said it is no longer important whether one parent has worked hard, whether he has saved money, whether he has the means to grant the privilege to his children of going to university, and another parent has not. What we have said is that we are going to put both in the same boat. If one student is a good student but does not have wealth behind him, he is put in the position where he can borrow money and also receive an education.

If hon. gentlemen opposite are insistent upon preserving inherited privilege, or if they question, as the Leader of the Opposition did, the rate of estate tax, which is really the same thing, then why should we not say that a man whose great grandfather made a great contribution politically should be entitled to certain privileges? How can you argue inherited privilege in the one case but not in the other?

Mr. Schreyer: He should be appointed to the Senate.

Mr. Otto: Better still, appoint him a member of the House of Commons, if that were possible. This is the issue that is really at hand.

• (4:30 p.m.)

We constantly ask, what incentives drive a man. On the other side of the house it has been and still is presumed that men work hard and suffer ulcers and heart attacks in order to benefit someone after their deaths. I do not think that is so. If Mr. Desmond Morris, the author of "The Naked Ape", is correct in his assertion that we are aggressive creatures who like to swagger and domineer, he lends credence to my argument. I think the hon. member for York North (Mr. Danson) is on the right track. It is not the prospect of leaving wealth after death that pleases us; it is the prospect of controlling that wealth during our lifetime that drives us. Therefore, by introducing this measure we are in effect saying to the entrepreneur or to the taxpayer: enjoy your life more.

[Mr. Otto.]

Actually we have done away with double taxation in this measure. It is nonsense to say that a man will not try to pile up wealth if he thinks his estate will be taxed after death. People do not quit trying to accumulate wealth because taxes will be levied on their estates. All the evidence contained in psychological journals shows that people pile up wealth because they want to, because they enjoy a certain amount of power, because they want to command others and not because they want to leave money after they are dead.

Frankly, I was rather disappointed that the minister raised the lower limit on estates from $20,000 to $50,000. Still, one must consider that many so-called estates really are not estates. If a man leaves a dwelling unit in a metropolitan area to his wife, that might be considered an estate. Under the old law that estate could have been taxed. Now estates of $50,000 and under will not be taxed. I believe a man could leave a $50,000 house and $50,000 in cash, making $100,000 in all, and that estate would be exempt from estate tax. Certainly $100,000 is a large sum to exempt from estate taxes.

I do not agree with the minister's contention that this measure is really not all that important because it will affect to a measurable extent only 5 per cent of our people. It will affect those 5 per cent among whom are found the entrepreneurs and employers who give work to the other 95 per cent of the population. Stricly speaking, the government will not make money by collecting estate tax on the estates of these people. This measure is being brought in as part of the government's scheme of reform. After all, hon. gentlemen in this house wanted reform. This government was elected to bring in reforms, and this measure is one of those reforms. The purpose of this bill is to bring a greater prospect of equity to our society. If there are to be reforms there must be changes, and one of those changes is embodied in this measure which seeks, as I said, to bring a measure of equity to our society.

Mr. Benson: May I rise on a point of privilege, sir? Earlier this afternoon the Leader of the Opposition was pressing me for a figure. I told him I would provide it as soon as it came down to me from my office. I wish to say that I gave him that figure before he left the house a minute or two ago. It was $45 million.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise at this time firmly convinced that a

major battle confronts the agricultural industry with respect to the estate tax proposal the minister brought down last October 22. In kicking off this debate the minister said, "Oh, there has been a lot of misrepresentation." He complained of how everything he said had been distorted. His attitude was that everyone in the country, every tax consultant, farmer and lawyer was wrong and he was right. He reminds me of the lady watching her son, who had just enlisted in the army, marching and saying, "Johnny is in step but everybody else is out of step."

An hon. Member: You should say "Benny".

Mr. Horner: Yes. It should be "Benny is in step and everybody else is out of step."

When I went to the minister's office before the Christmas recess to speak to him about the estate tax he said, "Don't fear, rest easy. I am not as bad as everyone thinks I am. I am not harming the farmers as much as the newspapers say or as much as people think." Well, I am afraid I did not rest easy and the minister did not put my fears at rest with his proposal. I will give my reasons for my attitude in my speech.

I am pleased to understand the N.D.P., position on this legislation. When it was first introduced on October 22 I suspected it was socialist legislation. Now that the N.D.P. has fully adopted its proposals I am convinced it is socialist legislation. This is very interesting because the minister said the government was introducing a new philosophy in legislation. This measure was to remedy some existing injustices and inequalities. He said: "That is all we are doing, just transferring money." It turns out he is transferring $45 million to government coffers. If the present legislation merely seeks to transfer money from one part of the community to another, then clearly it is socialist legislation.

Many Canadians were aware of the Prime Minister's thinking along socialist lines. Many were blinded by his supposed charisma but it did not fool the farmers of western Canada. They have mistrusted socialist ideas and that is why they did not send too many of his party to Ottawa. Certainly their mistrust of the Prime Minister was not misplaced, because his government in fact has introduced socialist legislation. Let us see what the Winnipeg *Free Press* had to say about this matter:

> The new rates have been described by Saskatchewan's Attorney General Daryl Heald, as confiscation, rather than a tax.

He went on to say that this measure will make it increasingly difficult for a farm to be passed on to a son or daughter. Mr. Runciman, who was appointed president of the new Grains Council, also said that the new tax would make it difficult to pass a farm on to a son or daughter. I could read many quotations supporting this view. The president of the Farmers' Union of Alberta described the tax as vicious in its effect on farmers. Yet to all this the minister says: "They are all wrong; I am the one who is right."

It is interesting to note that the N.D.P. position is that there is no reason why a man should not pay a tax of $43,000 when he inherits a $200,000 estate. Personally I have long been sceptical of socialist principles, and the present legislation is an example of socialist principles being carried into legislation.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Have we said we are supporting this legislation?

Mr. Horner: Have I misinterpreted? I gathered from remarks made by hon. members belonging to his party that his party generally supports this legislation.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit a further question? Is he not aware that we have moved an amendment to the second reading of the bill?

Mr. Horner: I am aware of the amendment. If the hon. member's party does not support this legislation and if I have incorrectly interpreted the attitude of the hon. member's party, I hope that members of that party will correct my impression in speeches yet to be made in this debate.

• (4:40 p.m.)

It has long been my belief that in a free country such as Canada a man should be able to benefit from the fruits of his labour, the education he can acquire and the risks he is prepared to take against the elements of nature, competition or whatever it may be. It is also my belief, as well as the belief of the Conservative party, that in some respects a man should benefit from a thrifty attitude. There is much talk about efficiency. Generally speaking people should benefit from thrift, particularly with regard to the family farm. A farmer should benefit from all the members of the family co-operating. However, this estate tax makes it difficult to achieve any benefit.

It is interesting to note that the hon. member for Coast Chilcotin (Mr. St. Pierre) had much to say about the tax and how it would apply to farms. I refer to an article in the Calgary *Albertan* concerning an interview with the hon. member for Coast Chilcotin in which he said this new tax really hits the ranchers. I do quite a bit of farming. I can assure you, Mr. Speaker, it hits the farmers too. He said that the average ranch shows an average return on capital invested of 0.85 per cent, and yet the minister wants to take away a lot of that capital.

Farmers throughout western Canada, in fact all across Canada, have worked hard to build up economic units to pass on to the next generation. In his speech the other day the minister said there would be little effect on the farmers. I recommend that the minister read the article which appeared in the Calgary *Albertan*. I am sure he will find it interesting. The article states:

> I'm worried that the estate tax is going to accelerate the sale of these ranches to foreigners. People just won't have the money to pay the estate taxes. But nobody here will concede this.

The farmer in the just society is the forgotten man, and this has been apparent ever since the difficult fall harvest.

In his opening remarks the Minister of Finance, as reported on page 5181 of *Hansard*, had this to say:

> During his lifetime the farmer or the small businessman benefits from government programs and from the general well-being of the country—

Is the minister suggesting that, because the farmer benefits from government programs, in the end the government should get all those subsidies back by taking half the farm when the farmer is through with it? Is that the type of Indian-giver he is? I am certain that when previous governments established rates or guarantees for the sale of products of the farmers the government did not expect the money back. The minister went on to say:

> —as much or more so than the salary or wage earner benefits... An estate tax may place a special burden on estates in which the major assets are not liquid. I admit that. But how great is the burden?

The whole point of my speech is how great is the burden. Every farm leader in Canada has said the burden is great, the tax is vicious, it is confiscation, not a tax, it is the ruination of the family farm. Every farm leader across Canada states the burden will be too great, but not the Minister of Finance.

Why will the burden be particularly great at this time? Looking at the agricultural industry we realize that slowly and surely the average age of today's farmer is becoming higher. The approximate age for farmers in Ontario is 60 years; Alberta, approximately 55; Saskatchewan, approximately 58. These farmers are at an age when they are concerned about having their sons or daughters inherit their farms.

Another reason it is too great a burden at this time is the accelerated inflation over the last ten years which has caused the price of farm land and machinery to increase vastly. The government and the Farm Credit Corporation are aware of this. The government set up an inquiry to see whether the prices of farm machinery could be lowered or, if not, kept at the same level. Every year since 1963 there has been a price increase of 4.5 per cent. The government has promoted a sharply inflationary condition. In his speech to the 122nd annual meeting of Canadian life insurance companies, Mr. Graham Towers said he was fearful governments could no longer control their spending. This is apparent in the 10 per cent increase tabled in the government's estimates, which represents a $1.2 billion increase in spending. We are talking about a shift of $45 million.

As the Leader of the Opposition (Mr. Stanfield) stated, it is not the wealthy people who will carry the burden. It is in fact a shift from the very wealthy to the middle class people and in particular that group of farmers who have toiled many long hours to build up efficient units. These are the people who will be hurt. The minister admits it is a burden. He calls it a special burden. The minister is not a farmer but he takes it upon himself to say the burden is not too great. He has disregarded farm leaders and practically every farmer in the country. When he stated in his speech that it is not too great a burden, he did not quote any agricultural professors.

The Economic Council of Canada, when tabling its report last fall, stated that the agricultural industry needed more capital. I say to the Minister of Finance, what will this tax do regarding capital in the agricultural industry? It will take capital out of the industry. The report stated that one of the things drastically needed in the agricultural industry was greater capital because Canada

is almost 20 per cent behind the United States. The minister has given no recognition to this fact in his budget or in this bill.

• (4:50 p.m.)

Under the previous provisions of the Estate Tax Act allowance was made for a $10,000 once in a lifetime gift of farm property from one parent to a son. The Canadian Federation of Agriculture sent a telegram to the minister asking that the level of this exemption be raised to $25,000. The minister admits that this tax is a special burden but he does not think it is too great a burden. Surely it would not mean too great a loss of revenue if he increased this figure to at least $30,000. However, the minister blindly closes his eyes and turns his back on the farming community. I suppose he adopts the idea that half the farmers must go and then the government will deal with the remaining half.

In his speech on February 5 the minister said that this legislation would actually cause a reduction in estate tax on farms worth up to $160,000. The minister circulated his own tables to show the amount of tax involved. Those tables show the third way in which estates are generally willed, especially farm estates. An estate is left in trust with the income to the widow during her lifetime and the assets divided equally among the children on her death.

The tax on a $80,000 estate if a family had one child used to be $2,600. Now it will be $8,700, a marked increase. On a $150,000 estate the tax will now be $26,700.

Mr. Roberts: Will the hon. member accept a question?

Mr. Horner: How much time have I?

An hon. Member: Forty minutes.

Mr. Horner: Very well.

Mr. Roberts: Would the hon. member like to give the tax figure on that same size of estate if the estate if left half to one child and half to the widow?

Mr. Horner: I will deal with that later.

Mr. Roberts: It is zero.

Mr. Horner: Please let me deal with that in my own time. Let us look at an estate of $150,000. Under this bill the tax will be $26,700. Under the old provisions it was $6,800. There is a marked increase. Surely the minister cannot pull the wool over the eyes of members of the House of Commons as he has attempted to pull the wool over the eyes of all the farm leaders and farm spokesmen. Surely he cannot pull the wool over the eyes of the hon. member for Coast-Chilcotin and over the eyes of other hon. members from rural areas.

Let us now take a look at Part IV covering estates left outright, with one half to the widow and one half divided equally amongst the children. Therein lies the difference. The government is actually taxing only half the estate at this time and naturally the rate is lower.

Mr. Benson: On a point of order, Mr. Speaker, I am sure my hon. friend would not want to be wrong. The tax figures quoted in all these examples are the complete tax after both persons have died and the estate is moved on to the children.

Mr. Horner: The minister is making a very interesting statement and it will bear close examination.

Mr. Danson: Will yours?

Mr. Horner: I hear the hon. member for York North (Mr. Danson) making some comment. In his speech he suggested that all farmers should see a lawyer, a tax consultant, an insurance adjuster or someone like that. Certainly, because he is in the legal profession. So is the Minister of Finance.

Mr. Danson: On a point of order, Mr. Speaker, I really must have this straightened out. I am not a lawyer and I would like the record to be clear.

Mr. Benson: Neither am I.

Mr. Horner: The hon. member is not a lawyer but he is certainly soliciting business for the lawyers. If the estate tax is not high enough on farmers at the time of their death he wants to herd them together and clip them when they are still alive. Farmers cannot afford any more taxes.

The minister suggests that the provision in Part IV is the total tax on the total estate. Then why is he so concerned about not increasing the exemption to farmers? Why is he so concerned about the special burden? Why does he admit it places a special burden on liquid assets? It is interesting to note the

minister's interest in the agricultural industry, but his disregard for it is also very evident.

In his speech the minister said that 95 per cent of the people escape paying estate tax altogether, that in fact all the estate tax collected is paid by 5 per cent of the people, and that half of the amount collected in estate taxes is collected from estates of $500,000 or more. This is the way it has been up until this time.

Mr. Benson: No, the way it will be.

Mr. Horner: That is the way it will be. Well, that is a very debatable figure. If the minister had a record of being in any way correct in his forecasting one could perhaps put more faith in him, but as his record has not been too good in that regard one can hardly blame the farmers for paying very little attention to his forecast.

Dealing with estates worth $500,000 I point out that there are many farms and ranches in western Canada worth that amount, in fact, nearly 50 per cent of the farms and ranches in western Canada. In his opening statement the minister said that the maximum estate tax rate would be reduced from 54 per cent to 50 per cent, but he is lowering the amount of the estate to which the 50 per cent rate will apply. The maximum rate used to apply to an estate worth $1,500,000 or more. Now it will apply to estates of $300,000. I call it five o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): Order. It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Consumer Affairs—establishment of joint committee on price stability; the hon. member for Victoria-Haliburton (Mr. Scott)—Transport—leasing of water lots on canal systems; the hon. member for St. John's West (Mr. Carter)—Housing—removal of tax on building materials.

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 (papers), private bills, public bills.

[Mr. Horner.]

MOTIONS FOR PAPERS

UNIDENTIFIED FLYING OBJECTS

SIGHTING BY MR. STEVE MICHALAK IN 1967

Mr. Barry Mather (New Westminster) moved:

That an order of the house do issue for a copy of all letters, reports, studies or other data in respect to an exchange by the Royal Canadian Mounted Police, the Royal Canadian Air Force, the Department of National Health and Welfare, the Geological Survey of Canada and the National Research Council of Canada regarding the sighting in 1967 by Mr. Steve Michalak of an unidentified flying object.

• (5:00 p.m.)

He said: Mr. Speaker, I do not want to take up the time of the house at any great length on the matter referred to in notice of motion No. 19 which asks for an order for a copy of all letters, reports and so on, the details of which you have just read. I do, however, have a few points I should like to put forward. First, there is the failure of the government to table the papers referred to and the significance of that failure as it bears upon the rights of members of parliament in representing the people of Canada. Second, I wish to comment on the present situation in our official dealings in respect of reported sightings of u.f.o.'s or flying saucers.

At the outset may I say that in respect of u.f.o.'s I am an agnostic. I neither believe nor disbelieve; I just do not know. I have no special interest in the matter. Indeed, the first time I heard the term u.f.o. I thought it had to do with the United Farmers of Ontario. So I am by no means a flying saucer devotee.

My reason for bringing up the matter in the first place and later and in asking for the tabling of papers was simply to comply with a request from constituents who, as are many other Canadians, are much interested in what reportedly happened to Mr. Stephen Michalak in eastern Manitoba last May when he was prospecting near Falcon Lake. According to Mr. Michalak, who later published a pamphlet on his experience, about noon that day he saw two oval-shaped objects glowing an intense scarlet approach overhead. While one stopped in mid-air the other landed on a flat rock nearby. After a few moments its companion resumed flight and swiftly disappeared. Overcoming his shock Mr. Michalak approached the landed object. He described the appearance of it in detail. He later touched it and the touch burned his rubber glove.

Mr. Michalak states that the object tilted up and released a sharp beam of heat that scorched his chest. It continued upward and disappeared. Immediately after this Michalak states that he experienced severe headaches and nausea and with difficulty returned to his home in Winnipeg. He later lost weight and developed a rash and other symptoms which were never clearly diagnosed.

It was this reported happening and the interest by my constituents which prompted me to write the National Research Council section which receives or records such sightings. I asked for a report on it. I was told that R.C.M.P., R.C.A.F., Health and Welfare and Geological Survey of Canada reports have been received by the branch, and while these would be made available to me to read if I would go to that office the branch would not agree to table the material.

It seemed to me then and now that this material should be made available to all members of parliament in the usual way so that it could be studied by any interested member. With this in mind, in October, 1968, I asked for the production of papers. When this was refused and the data was not tabled in the house I took the step of transferring the matter for debate.

I believe that in the field of unidentified flying objects the Canadian government does not show enough serious concern. The position of the government agency is exemplified by a statement in a letter to me from the head of the upper atmosphere research section of the radio and electrical division, National Research Council of Canada on September 27, 1968, which reads as follows:

> In March of this year the N.R.C. accepted the responsibility for filing and cataloguing all u.f.o. reports sent to the federal government. We keep these on the non-meteoritic sighting file which is maintained as an auxiliary file to the fireball report file. This office acts as a co-ordinating headquarters, etc... It should be understood that we do not actively solicit non-meteoritic sightings, nor do we in general carry out field work of such sightings unless they show a fairly definite promise of giving useful scientific information—

In other words, there is no real or active interest by this division in the very large and conceivably important area of u.f.o. information. This government agency is out of tune with the desire for more knowledge in this new field by a great many serious-minded North Americans. It is estimated that no less than five million Americans now claim they have seen u.f.o.'s, and the United States government recently received a detailed report by a special body which spent some years and half a million dollars to investigate alleged sightings. The fact that the report was of the opinion, in brief, that there was nothing to the stories and reports of u.f.o. incidents immediately aroused criticism by a number of scientifically oriented groups who are or appear to be very well informed to the contrary.

At any rate, I believe that in Canada we should have a more tangible policy regarding u.f.o. investigations. I think the government should table all information available pro and con about these phenomena. I think we should also consider that our own little earth is now sending out flying objects, and if life exists on other planets the flying objects which the U.S.A. and the U.S.S.R. are sending into space may very well appear to that form of life to be unidentified flying objects.

In conclusion, Mr. Speaker, I find the following brief comments by some well informed people of interest: "The existence of these machines is evident and I have accepted them absolutely"—Air Chief Marshal Lord Dowding; "I believe extra-terrestrial intelligences are watching the earth and have been visiting us for millenia in their flying saucers"—Dr. Hermann Oberth, rocket scientist; "I believe in u.f.o.'s"—Knut Hammarskjold, Director General of Internal Air Transport Association; "the hypothesis that these u.f.o.'s are extra-terrestrial surveillance...I regard as most likely"—Dr. James McDonald, physicist; "at first, without any question at all, I thought it was stuff and nonsense, but not any more"—Dr. J. Allen Hynek, astrophysicist.

I have two points. I think the papers should be tabled so that we can all find out what they say, and I believe Canada through its agency in this field should take a more serious interest in establishing the facts.

• (5:10 p.m.)

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, the hon. member for Surrey (Mr. Mather) has filed a notice of motion transferred for debate in which he asks that an order of the house do issue for all letters, reports, documents, etc. from the R.C.M.P., the R.C.A.F., the Department of National Health and Welfare, the Geological Survey of Canada and the National Research Council concerning a flying saucer or at any rate an unindentified flying object sighted by Steve

Michalak who, if I understand well, is a constituent of the hon. member, and we understand his interest for that individual.

The hon. member raised two points, the second of which precisely takes into account the fact that he is not an expert in the matter of flying saucers and I think that I could say so myself.

An hon. Member: You have never been in one?

Mr. Forest: I have never travelled in a flying saucer.

But the hon. member mentioned that he was specially concerned about his constituent, and his intervention was aimed at drawing the government's attention to those who claim having seen flying saucers. He mentioned a report recently published in the United States, which does not give much credit to the statements of alleged witnesses. I do not think the government will establish a royal commission on that matter, but I am sure the Department of National Defence and the Research Council of Canada carry out routine investigations about those who claim having seen, in the skies over Canada, unidentified flying objects.

But I am coming back to his first question, in which he asked that the documents be tabled to enable hon. members to read them and get a clearer picture of the situation.

The hon. member will understand that the government does not have much to conceal on a subject like this. As to the request of the hon. member for the complete file, the latter includes some documents which are marked "confidential", such as advice, opinions or reports which have not usually been made public in the past for obvious reasons. If the government were to divulge publicly these opinions or confidential documents every time it is requested to do so, I would think that the departmental officials concerned would not be very inclined to offer candid opinions or to submit complete reports.

On the other hand, I want to inform the hon. member that I have the complete file containing some reports, including articles which have been published in newspapers by various reporters. It is a complete file from which a few pages have simply been removed. They are interdepartmental reports or others originating from officials who may have expressed opinions which in no way affect the nature of the file and the publication of which would not be in the public interest. Any other procedure would, I think, create a dangerous precedent that would not contribute to the good administration of the country's business and such has been the policy of the present and preceding governments.

If the hon. member is willing to approve this suggestion, we would be ready to table a complete file immediately and hon. members could thus be informed of this interesting question raised by the hon. member for Surrey.

[*English*]

Mr. Mather: If I am in order, I should like to thank the hon. member for the offer he has made and accept it.

[*Translation*]

Mr. Forest: Mr. Speaker, I am ready to table the report asked for by the hon. member for Surrey, according to the proposal that he has just approved, with the reservation that some confidential documents have been removed from the file.

[*English*]

The Acting Speaker (Mr. Béchard): Under the circumstances, does the hon. member for Surrey wish to withdraw his motion?

Mr. Mather: I do, Mr. Speaker, and I again thank the government for tabling the documents.

The Acting Speaker (Mr. Béchard): By unanimous consent the motion is withdrawn.

Order discharged and motion withdrawn.

SUPREME COURT OF CANADA

LANGUAGE USED IN RENDERING JUDGMENTS

On the order:

Mr. Fortin—That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a return showing, since the Supreme Court of Canada was instituted (a) the number of judgments rendered by judges whose mother tongue was French and, of those, the number of judgments rendered (i) in French (ii) in English (b) of the judgments rendered in English by judges whose mother tongue is French, the number of judgments respecting Quebec (c) the number of judgments rendered in French by judges whose mother tongue is English.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, I have one remark. It is not, for myself or the government, a matter of taking the hon. member by surprise. I know he is not here. I want to state this: There is absolutely nothing else to add, with regard to this

motion, to the statement made by the Minister of Justice (Mr. Turner) himself on January 15 last.

The Acting Speaker (Mr. Béchard): Order. The motion stands.

[*English*]

Mr. Baldwin: The motion has not been put.

[*Translation*]

Mr. Forest: Mr. Speaker, I know that the hon. member for Grenville-Carleton (Mr. Blair), who introduced this private bill, as well as the others, items 2 and 4, under the heading *Private Bills*, is still sick. Therefore, I move that these items be allowed to stand.

[*English*]

The Acting Speaker (Mr. Béchard): Is it agreed?

Some hon. Members: Agreed.

PRIVATE BILL

BRITISH NORTHWESTERN INSURANCE COMPANY

The house resumed, from Tuesday, December 17, consideration of the motion of Mr. Allmand for the second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill S-9, respecting British Northwestern Insurance Company.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I am sure everyone was taken by surprise at the rapidity with which the government decided to table the papers requested by the motion of my colleague. I am trying to locate the bill now before us.

In looking at the title of this bill one could presume there is very little objection in so far as the actual overt intention is concerned, but once again I suggest that this is the case in relation to many bills that come before us. I am wondering what the purpose is behind this proposed change of name. As I understand the bill it is an act respecting British Northwestern Insurance Company. I begin to wonder why the hon. member opposite introduced it in the house at this time and what might be behind the apparent intent.

• (5:20 p.m.)

I wonder whether changing the name to Eagle Star Insurance Company of Canada—unfortunately I cannot yet pronounce the French name—is required for a specific purpose. It seems to me that if the British Northwestern Insurance Company has been able to carry on a good business with the people of Canada, there is no great advantage in changing the name to Eagle Star Insurance Company. I wonder whether this company has a specific reason for changing its name, and if it has—

Mr. Allmand: Mr. Speaker, I wonder whether I could ask the hon. member a question?

Mr. Skoberg: Yes.

Mr. Allmand: The hon. member has wondered out loud about certain things. He has wondered whether the company is going to do this or that. I ask the hon. member if he was present during the three other debates on this bill or whether he has read the explanation, which he will find in *Hansard*, when the bill was introduced.

Mr. Skoberg: I think I was present during one of the debates on the bill, and I can assure the hon. member that I am quite capable of reading and of realizing exactly what is involved in the interpretation of the bill. I also assure the hon. member that we can understand it. However, there is still doubt in my mind as to the exact intent of the bill. I am sure the intent has not been spelled out in its entirety.

I am amazed that the hon. member would introduce a bill merely to change the name of the company when the purpose and intent of the bill are in some doubt, to say the least. Various reasons have been suggested for the change of name. The committee which studied Bill S-9 asked a number of questions in this respect. We realize that the bill has been dealt with by the other place. The representatives of the company were present at that time, and it would have been better if a more detailed explanation had been given with regard to exactly what is involved in the bill.

I realize that the Superintendent of Insurance dealt at some length with the bill, an act respecting British Northwestern Insurance Company changing the name to Eagle Star Insurance Company of Canada. But it seems to me there are other matters involved than just the change of name. Any time a company comes before the people of Canada through this house to change its name only, I wonder whether there should not be further investigation.

This is a federally incorporated company transacting fire and casualty insurance business in Canada. British Northwestern Insurance Company has transacted this type of business in Canada and there is no reason

why it should come before the house to change its name. Obviously it does not need to do this in order to stay in business. The present name of the company must mean something by way of honour and integrity to the public of Canada, and I am sure the people of this country have a justifiable pride in the company.

When one reads the transcript of the evidence given before the committee one realizes that there is reason to ask questions about the company. It is registered under the Canadian and British Insurance Companies Act. It has operated under its own name and also formerly through two subsidiary companies. It intends to concentrate its efforts in the company mentioned in the bill and wishes to change its name in order to be identified more closely with the group. In my opinion, when you attempt to identify yourself with a particular group it is a straight indication that you are trying to take advantage of that group. There is no reason to change the name of the company because, after all, in most cases the people remain the same. If the people remain the same, the intent and purpose of the company or any other group in society must be the same so far as the public is concerned.

Mr. Allmand: Mr. Speaker, could I ask a further question of the hon. member?

Mr. Skoberg: Certainly.

Mr. Allmand: The hon. member suggests that there is not much purpose in changing a name if most of the people remain the same. Would he kindly explain why his party changed its name from C.C.F. to New Democratic party five or six years ago, when they are still the same people?

Mr. Peters: That should be good for half an hour.

Mr. Skoberg: Mr. Speaker, I would be only too happy to oblige the hon. member by explaining why the New Democratic party, with its broad base in Canada, adopted that name. I know that other parties have changed their names for specific purposes. If Your Honour would allow me to do so, I could spend perhaps 15 minutes answering the hon. member.

The Acting Speaker (Mr. Béchard): Order. This is not the place to answer such a question.

[Mr. Skoberg.]

Mr. Skoberg: Then I ask the Chair why the question was allowed in the first place. It seems strange—

The Acting Speaker (Mr. Béchard): Order. The question was out of order.

Mr. Skoberg: I am pleased to hear that, Mr. Speaker. I must refer briefly to what the hon. member said about changing names, because I believe this is the basis of the bill before us. Although the name is to be changed, the people in the company remain the same. British Northwestern Insurance Company wishes to change its name without giving any good reason. There seems to be something wrong somewhere in the back rooms of the insurance companies.

One has only to read the evidence given before the committee to realize that a considerable number of questions were asked about the company. One question was whether there now was such an entity as the Eagle Star Insurance Company. The Superintendent of Insurance answered that there was such a British company, the parent of the company we are considering. I am very surprised that the hon. member opposite has not answered this question and settled the doubt in my mind as to the name.

Mr. Allmand: I did, three times.

Mr. Skoberg: The Superintendent of Insurance was asked when the Eagle Star Insurance Company took over this company. The answer was that the Eagle Star Insurance Company owned British Northwestern Insurance Company. If the Eagle Star Insurance Company owned British Northwestern Insurance Company, why did they not use their own name rather than British Northwestern Insurance Company? It appears there is a conspiracy to convince the public that they are different insurance companies, with different policies. Evidence was given before the committee of the other place that Eagle Star Insurance Company owned British Northwestern Insurance Company, and they should have retained their name when this company was incorporated. I can see no useful purpose in having many insurance companies in this country trying to hide under the cloak of the name of a subsidiary company.

• (5:30 p.m.)

That is one of my main points. Too many of these insurance companies are coming here for purposes which one can only guess. We are told that in this case there may be a

tendency for the company to transact business which was formerly written by the parent company. The question remains: where does ownership lie. I am sure than an examination of many of the applications which have come before us would show that in many cases ownership rests in the United States, where corporate enterprises have been set up, possibly to avoid some of the inequities of our present taxation system. The bill we were discussing earlier may do something in this direction, though I doubt it. It is my contention that Canadians should concern themselves more directly with the affairs of insurance companies of this type. In this case, it may be that the directors of the company are Canadians, but it is almost impossible to find out where control will ultimately lie, and where the money which is to be syphoned off will be used.

There is another question which arises in my mind in connection with the transfer of policies between companies with different names. How will our senior citizens, who have great faith in the British Northwestern Insurance Company, feel about the change of name to Eagle Star? I believe such a change would have an important psychological effect on a good many people, and this is something to which we should give consideration.

Another question arises in connection with the increase in capitalization for which the company is asking. The explanatory note tells us:

> The purposes of this bill are to change the name of the company to Eagle Star Insurance Company of Canada ... and increase the capital stock of the company from $2,000,000, divided into 50,000 shares of $40 each, to $5,000,000, divided into 125,000 shares of $40 each.

I am sure that when the bill was discussed earlier many hon. members were wondering about the reason behind this wish to increase the capital stock of the company. One fact did come out. We were told that the bill was really for the purpose of incorporating a new insurance company which would conduct all classes of insurance except life insurance. Well, it has been proven that with the number of insurance companies in existence already the general public is getting well fleeced. One can be well assured that the public will certainly pay the large dividends these people expect after changing their name to something else.

There is one other point I should like to raise. As the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) has mentioned, it has been discussed on one or two occasions earlier. It has to do with the nature of the explanatory notes. I do not think they give the house enough information to enable members to know exactly what these companies are asking for, and in my opinion we should be given more informative explanatory notes when we are dealing with subjects of this kind. Indeed, Mr. Speaker, I respectfully suggest you might recommend something along these lines.

Mr. Allmand: May I put a question to the hon. member? Since he would like fuller information, would he not be willing to allow this bill to go to the committee so that he could examine the officials of the company, put direct questions to them and obtain all the information he wishes?

Mr. Skoberg: I would answer the hon. member's question by indicating how impossible it is for us to attend every committee meeting which is held.

Some hon. Members: Oh.

Mr. Skoberg: He suggests I should cross-examine the representatives of the insurance company who might be present at committee meetings. I would simply say that if one is to try to do a job in this house one cannot attend every committee meeting which may be held.

An hon. Member: Sickening.

Mr. Skoberg: I hear some hon. members opposite doing a bit of braying. I remind them that they themselves very often do not have time to devote themselves to the work of all these committees. The question brought up by the hon. member—

The Acting Speaker (Mr. Béchard): Order. I regret that the time allotted to the hon. member has expired.

Mr. Peters: Who is taking time? It is the sponsor of the bill, surely?

Mr. J. Edward Broadbent (Oshawa-Whitby): I must say that in spite of the high level of the discussion and the complex nature of the subject under consideration I do not feel that this matter has received the wide range of study that it should. Before we take a serious decision on the question of principle I feel we should spend much more time in the

house discussing it. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this bill be not now read a second time but that it be read a second time this day six months hence.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have anxiously awaited the opportunity to speak again on this bill. The fact that an amendment has now been proposed gives me an opportunity to do so. I intend, with your permission, to say a few words on the bill.

An hon. Member: On the amendment, surely.

• (5:40 p.m.)

Mr. Peters: I have had the opportunity of being present when this company has come before us on previous occasions. I agree with the hon. member from Oshawa that we do not have sufficient information about this matter to make a decision. I do not know what this company told the sponsor of the bill, but whatever it was he did not communicate to the house the real reason behind this bill.

This company has been incorporated under the laws of Canada for a long time. Amending bills have appeared on several occasions. The first bill is to be found in chapter 70 of the Statutes for 1910. There was an amending bill in 1952 and again in 1958.

Mr. Allmand: Mr. Speaker, I rise on a point of order. I believe there is a specific amendment before the house, which is that the bill be read six months hence. I submit that any speech must be directed to the amendment and not to second reading of the bill. The hon. member is now making the sort of speech that he has made on three or four other occasions on second readings. I would ask for a ruling on this particular matter.

The Acting Speaker (Mr. Béchard): I would ask the hon. member for Timiskaming (Mr. Peters) to restrict his remarks to the amendment. I understand he is giving his reasons for postponing second reading of this bill.

Mr. Peters: Mr. Speaker, far be it for me to lecture the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), but if he is familiar with the motion he will know it is a negative motion and a killing motion as well. We are not amending the bill in a restricted sense but in a substantive way. In effect, in arguing for a six months hoist I am also saying why I am not in favour of the measure. The hon. member may not agree that this motion should be moved, but I am of the opinion that just because the bill has been before us on a number of occasions dealing with two major specifics, it does not necessarily follow that we have the full story on which to base our decision.

[Mr. Broadbent.]

I have much more information about this company than that which appears in this small summary. In the report of the Superintendent of Insurance for Canada there is information concerning this company that goes back some period of time. There are many reasons why not only this company but a number of other companies as well should be questioned closely. We should consider this matter carefully before changing the structure of this insurance company in particular, and allowing a proliferation of insurance companies in general. These companies are asking not only to change their name but also to change their capitalization.

This company is asking to increase its capital stock from $2 million to $5 million. The hon. member for Notre-Dame-de-Grace may not be aware, as I am sure other members are, that if this bill and the 20 or 30 other bills which will be presented by other Liberal members are passed we will be taking money out of the Canadian economy. From that part of the economy which is the direct concern of the Canadian government, we will be extracting several hundred million dollars which could otherwise be used to develop the nation.

Mr. Allmand: That is not true.

Mr. Peters: The hon. member says that is not true. Certainly I am not prepared to take his word for it because it would be very difficult to ascertain how much of this money would be directed to the places to which we would like to see it go. I am sure that in a sober moment even the hon. member for Notre-Dame-de-Grace would agree with that.

The report on housing has just been presented to us. Instead of taking $3 million out of general circulation and handing it to this insurance company, I think we would do much better to put this sum into housing. We must not forget that this $3 million is only a small part of the accumulated capital amount.

As the company now stands, it has an authorized capital of $2 million. It is now asking for an authorized capital of $5 million. Last year it had assets amounting to $7,347,735. Its total liabilities amounted to $6,133,000.

Last year its total disbursements were $2,500,000. In its surplus account at the end of the year it showed a capital gain of almost $1 million. Therefore, I suggest it would be very hard for the hon. member to claim that this amount would make no difference to the development of the nation.

The representatives of thousands of insurance companies are trotting up and down our streets selling insurance to the same people for identical risks. The hon. member who sponsors the bill says that this does not affect the economy, but it is interesting to note that a colleague of his in a somewhat remote sense, namely, the premier of Saskatchewan, decided not long ago during an election campaign to turn over the government operated insurance plan to free enterprise. Did he do this? No, he did not. He may have decided to raise premiums but he certainly did not drop government controlled insurance because he fully realized that if he did so he would take out of circulation money that would be useful in other fields.

This company probably handles about $200 million every year. If it increased its capitalization two and a half times, this would mean that its potential for doing business would increase two and a half times. The hon. member for Notre-Dame-de-Grace may have some particular reason for sponsoring this bill or he may not. If he has not, then as a member of this house I say he is a sucker. If he has, then I would like him to explain his involvement. The hon. member may be pushing this bill because in some way it affects his riding; at any rate, he ought to examine what companies like this do in the field of insurance. I know him to be progressive minded.

• (5:50 p.m.)

An hon. Member: He is a rebel.

Mr. Peters: Some may say he is a rebel.

Mr. Guay (St. Boniface): On a point of order, Mr. Speaker. I submit the hon. member is not speaking to the amendment before the house. He is speaking on the motion itself.

Mr. Speaker: It is my understanding that this type of amendment does not preclude the hon. member from speaking to the substance of the bill now before the house. I gather this is the hon. member's second contribution to this bill. At any rate, he has made a minimum of two contributions. He will be limited, firstly, to consideration of matters which are of the essence of the bill before us. Secondly, he should not repeat statements he made in the first instance. I am not suggesting he has done this but those are the two sole limitations he would face at this time. I would not think the amendment before the house now would limit him too seriously in his present contribution to the debate.

Mr. Peters: Mr. Speaker, I have not looked at what I said on previous occasions when this bill was discussed. If I repeat anything it is accidental. I was saying that the hon. member is progressive minded, although I hesitate to use that term when describing government supporters. Certainly, he has an inquisitive mind as I have noticed in standing committees. No doubt he would be interested in examining financial statements relating to British Northwestern Insurance Company. It might also be wise for hon. members of this house generally to be aware of amounts of money being collected by such companies and being disbursed. The hon. member sponsoring the bill ought to have all pertinent information in his possession. He should know, for instance, whether the premiums collected by the company bear any reasonable relation to claims paid out. I notice, for instance, that for an insured amount of approximately $1,600,000 the company collected premiums of approximately $544,000. I hope my interpretation of the figures is correct. That amount relates only to fire insurance, Mr. Speaker.

I doubt whether the combines investigation branch could determine whether arrangements between insurance companies constitute combines or restraint of trade. I think it is well known that the companies say to each other, "You scratch my back and I will scratch yours; we will see that certain rates are set and that one company does not carry more than a certain share of any risk." It is well known that companies re-insure their risks with other companies, which in turn re-insure still further with other companies. In that way, insurance risks are spread over the entire insurance industry operating in any particular field.

I may favour an amendment, to be moved later, Mr. Speaker, which would have the effect of sending this bill to a standing committee in order that special inquiries could be made about the company. We have placed tremendous reliance in the past on the Superintendent of Insurance. I have listened to him on several occasions in committee and been impressed with the way he answered questions. Sometimes it seemed as if he directed the deliberations of committee members. Indirectly, he has great influence in

this house on matters of insurance. I think it would be wise if in some way guidelines could be laid down as to how we ought to deal with companies like the one referred to in this bill. These companies come before the house and ask for an innocent change of name. Yet when one looks into the matter one discovers that the control of the company has changed, the structure of the company has changed, and that really the company is not what it purports to be. Mr. Speaker, these companies are as phony as $3 bills. There is nothing honest about them. They move in a jungle of finance that is above the heads of most hon. members. I admit frankly that I do not understand the workings of that jungle. It might be useful if the activities of this company were studied thoroughly in committee. As I said, when looking into the activities of the company one may well find that an innocent change of name is not all that is involved but that ownership and control of the company has also changed.

[*Translation*]

Mr. Speaker: Order. I regret to interrupt the hon. member for Timiskaming (Mr. Peters) but the hour appointed for consideration of private members' business has now expired. The house will resume its business at eight o'clock p.m.

[*English*]

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

INCOME TAX ACT AND ESTATE TAX ACT

The house resumed consideration of the motion of Mr. Benson for the second reading and reference to a Committee of the Whole of Bill C-165, to amend the Income Tax Act and the Estate Tax Act and the proposed amendment thereto of Mr. Saltsman (p.5191).

Mr. Horner (Crowfoot): Mr. Speaker, at five o'clock I was dealing with the effects the estate tax will have on what is generally considered to be the family farm or what has now become established in many places in western Canada as a farm of an economical and efficient size.

The minister suggested this tax would be a special burden on the farmer. He justified this by saying farmers have received subsidies from the federal government during the years they operated the farm and it was only fair that this advantage should be equalized with the burden carried by the wage earner by imposing this special tax upon farmers. This change will involve $45 million. The minister stated he was not trying to raise more money by this change, which someone called a philosophical change, but claimed it would apply more fairly to all segments of the industry. If this is true, Mr. Speaker, it is a shame this government feels the farmer must have this special burden placed on him, particularly in the light of the report last fall of the Economic Council of Canada. Their report painted a vivid picture of Canadian agriculture in dire need of more capital. This tax is a direct tax on capital, there is no question about that.

The minister has said the estate tax in the past has brought in $200 million. The proposed changes are an attempt to shift $45 million of that figure to people in different occupations. I would like to ask the minister if these proposed changes will result in a drop in income from $200 million to $190 million?

Is the raising of the exemption from $20,000 to $50,000 going to have any real effect on the income the government receives? Surely, his computers have worked out some estimates as to what change in dollar income this will bring about.

The Canadian Federation of Agriculture has suggested the exemption on a once in a lifetime gift of a farm from father to son be increased from $10,000 to $25,000. I have suggested this figure be raised from $10,000 to $30,000. This would not involve many dollars and would lessen the burden the minister has placed on farmers.

The report, "Transfer Taxes: Their Effect on Productivity and Control of our Economy" published for the Ontario Economic Council has some interesting facts with regard to transfer taxes on capital. I quote from page 9 of the report:

> As the economies of large-scale farm operations become more prevalent, and the world demand for food accelerates, are the working capital requirements of our agricultural industry to be compounded by the imposition of substantial transfer taxes on our farms?

This is exactly what the minister is doing. The report also points out that Canada leads 13 countries in the free world in transfer tax on capital. One commodity Canada is short of

is capital. The Minister of Finance (Mr. Benson) should realize that this country is basically an importer of capital and therefore we should not have the highest possible taxes on that capital. There is a table on page 11 of the report which vividly illustrates the percentage of revenue which the government receives from transfer taxes. The report also vividly points out there is a direct relationship to economic growth and tax on capital. One example in the report is West Germany. Over the past 20 years this country has had the quickest acceleration of economic growth and the lowest tax on capital, a direct relationship between tax on capital and economic growth of the country.

We in this country complain of foreign ownership and what steps the government could adopt to allow more Canadians to take part in the growth and ownership of this wonderful country of ours.

• (8:10 p.m.)

As the hon. member for Edmonton West (Mr. Lambert) pointed out this increase in estate tax will encourage Americans to buy land and businesses in Canada. I will read again from the article quoting the hon. member for Coast Chilcotin (Mr. St. Pierre):

> I'm worried that the estate tax is going to accelerate the sale of these ranches to foreigners. People just won't have the money to pay the estate taxes.

In a young and vibrant country like this, with all our natural resources and potential, we are taxing capital; yet capital is one of the commodities which we import and for which we pay high prices, first in interest rate and secondly in the loss of Canadian ownership. Canadians all across the country want to own more of the land and participate in the growth of the country.

In today's economy, the farmer works longer hours and receives less pay per hour of labour than workers in any other industry. In days gone by it was often said that a farmer lived poor and died rich. With this increase in estate tax he will continue to live poor, and he will die poor.

It has been said that this bill represents a new philosophy. From whence did the philosophy come? A number of months ago Bruce Hutchison wrote an article in which he said he has known the Prime Minister (Mr. Trudeau) for a long time. He wrote that as a young man the Prime Minister was very embarrassed by his riches, by the wealth left to him. Let us give Bruce Hutchison the benefit of the doubt. The Prime Minister is now 50 years old, and he has no children. He has not worked to build up an estate like a farmer with the sweat of his brow, with the use of his muscles, and with backbreaking work over long hours. Why should he be concerned about leaving an estate for anybody? Just think about this.

I know a lot of people are annoyed at the Minister of Finance. But he is a dutiful servant of his Prime Minister.

An hon. Member: Slave.

Mr. Horner: Someone says slave. I do not really think he is a slave because I talked to him about this particular tax and I know he was fully confident in his own mind about it.

Mr. Benson: I still am.

Mr. Horner: He is obeying the wishes of his master.

Mr. Benson: Oh, nonsense.

Mr. Horner: It was his master's mind that devised this cruel, special burden for the farmers across Canada.

Let us examine the farmers' position. Many businesses in our economy can pass on rising costs of labour in the price of their products. A shipbuilder can increase the price of his product. A car manufacturer can increase the price of his product in spite of the automotive pact arrangement made by the government. Nearly every manufacturer in Canada can increase the price of his product to cope with increased labour costs. But a farmer cannot.

A farmer has his wife, sons and daughters pitching in to help make his farm productive. Many hours are spent building up the farmstead, beautifying it, making it more efficient, modernizing it through greater use of electricity and gas. This adds to the efficiency of the unit, but in many cases the wife and the sons do not take any salary for the work they do. Maybe they should. I would not say that they should not, but in many cases a farmer cannot afford to pay them

Let us consider the case of a farmer growing wheat in western Canada. To date, he has not sold any wheat and he has to meet the expenses of a full year's operation. His son is quite prepared to work for the family unit in the hope that someday he will take it over. Under these circumstances perhaps the farmer's son should put a lien on the farm for back wages. When his father dies he could say, "I have worked here for 20 years, so I will make a claim, against my father's estate

for $20,000 for back wages." That would be only $1,000 a year. Let us suppose that he claims $2,000 or $3,000 a year, and that the farmer's widow also claims in this way. Many farmers' wives drive trucks hauling wheat to the elevators, and throwing off feed to the cattle in winter time without receiving any pay in the financial sense.

Let us take the case of a farmer with three sons, who spends $20,000 educating two of them, and the third son wants to farm. The father may say, "Well now, I realize you want a farm. You will have this place when I go, and we will buy another quarter section or half section of land with the money I would have spent on your education." Many farmers' sons quit school at Grade 9 and get their basic education on the farm by actually participating in the management and the work of the farm. Should they tack a bill on to the estate for the education they receive?

In many cases the education they receive that way is far better to them than going to university to study agriculture as I did, or going to an agricultural college as I did. They probably learn just as much by taking part in the day to day close supervision of the farm work. The other two sons who got an education carry that education with them. It cannot be taken away from them when their father dies. But the lad for whom the father purchased an additional quarter or half section of land will be hurt by this cruel and, to quote the President of the Farmers' Union in the province of Alberta, vicious tax that the Minister of Finance is imposing.

There is no question in my mind that the agricultural industry today is at a crossroads. The question is whether it is going to continue in existence or whether it will bumble and collapse. I could quote many articles to show the exact position of agriculture in many parts of Canada. For example, some time ago I read that in the province of Quebec ARDA is buying up land and putting farmers on social welfare. Surely, something better than that can be done in this country of ours. Surely, we are not going to force farmers to go on social welfare because of this cruel and vicious tax. Surely, the minister will reconsider and accept the suggestion by the Canadian Federation of Agriculture that the once in a lifetime gift exemption be increased to $25,000 from $10,000. Before this debate concludes, I would like the minister to indicate how much money that would cost.

At the rate members of the government have been spending money I can well understand the minister's great desire to acquire some money. What farmer could afford a $38 waste basket? What farmer could afford to spend $9,000 renovating an office?

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: If there is unanimous agreement—

Mr. Horner: Just for one quick sentence.

Mr. Benson: Mr. Speaker, in view of the kind words that the hon. member is delivering, we would be pleased to have him continue and finish.

• (8:20 p.m.)

Mr. Deputy Speaker: Is there unanimous consent of the house to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Horner: I see the house is in a very generous mood tonight. I would be the first to admit that I have taken up my fair share of the time of the house in contributing what little wisdom I have—

Some hon. Members: Hear, hear.

Mr. Horner: —to the general well-being of the government. But I will assure you, Mr. Speaker, and through you the minister, that I will be brief. We on this side can well understand the government's position that they cannot afford to lose that $200 million because the minister issued the great cry across the land that they want to hold the line on expenditures. We heard that during the last election campaign. The amount of money that would be realized through the estate tax is very very small compared to the total expenditures of the government. It is less than one third of one per cent. As a matter of fact it is less; it is nearly one sixth of one per cent of the total expenditures of the government. Even after the forceful statement that they were going to hold the line on expenditures, those expenditures were increased by $1,200 million. A well known fact was stated in the *Globe and Mail* a few

days ago. I will quote the article of January 31:

> There is no way by which the Government can guarantee that taxes plus borrowing can produce any certain amount of revenue.

Then, the article goes on to suggest the government really does not do much business:

> Although the Government of Canada operates a few enterprises which can be classed as income producing, ranging from Air Canada to Polymer Corp. and the Post Office, its net income from such sources is very small at best. For practical purposes, any money it has to pass out comes either from taxes or from borrowing.

In addition, we had the grave warning of the former governor of the Bank of Canada to the effect that he was afraid the government, in spite of itself, could not hold the line. The farmers can hardly be expected to be convinced that the government really needs this $200 million from the estate tax when they see a gigantic increase in the estimates of $1,200 million at a time when the government says it is holding the line. Can you imagine what the situation would be if it were a period in which they were not concerned about holding the line on government spending. As I was suggesting previously, the government could pay $38 for a waste basket or spend $3,900 in renovating an office. No farmer could afford that nor could he even envisage what a $38 waste basket would look like. Before I complete my term as a member of parliament I intend to visit those offices to see what a $38 waste basket looks like.

This is the type of extravagant expenditure this government makes while at the same time placing a special burden on estates which consist mostly of non-liquid assets. The minister says this burden is not an undue one. Well, as I said in my opening remarks and it is well to repeat it, the minister is like the mother whose son had just joined the army. As he marched by her in a parade, she said, "My Johnny is the only one in step". All the farm leaders say this is a burden. The minister does not know the extent of the burden he has placed on the farmers. I urge him to reconsider. The very least he could do would be to take into consideration one of the recommendations of the Canadian Federation of Agriculture that the $10,000 once a lifetime gift from a farmer to his son be increased at least to $25,000. They are asking for a small thing in respect of an industry which is crying out for more capital and in which capital is very necessary, particularly in light of what this government has done to all farm capital.

This government has increased the interest rate from 5 per cent to nearly 8 per cent and we are told that before long it will be over 8 per cent. I ask the minister to please reconsider that small item of the once in a lifetime gift and show the farmers that he wants to allow them to pass on what they have accumulated through many long hours of hard work late at night. The farmers have worked by the sweat on their brows. I know that last January in Alberta when it was 48 below zero at night and 20 below zero all day very few people were prepared to throw around bales of hay in that kind of weather. Surely, the minister should consider the plight of the farmer. I plead with the minister and if he wants me to get down on bended knees I will do so. I will do anything I can in order to urge the minister to reconsider his position. Surely, it is not too much to ask. I would like him to feed into his computer the question of how much money the proposal would require. It would be an infinitesimal amount compared to the increases in government expenditures in one year. I ask the minister to think about it. We will not hold it against him if he makes one more small change in his budget resolutions.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I agree with the hon. member who has just spoken that there has been a tendency in the last couple of years at least for the government to be excessive in its administrative procedures and the way in which it goes about decorating its ministerial offices. However, I do not wish to take any time of the house in saying anything more about this since the hon. member for Crowfoot (Mr. Horner) has already made considerable reference to it. I was not aware of the $38 waste baskets, but I do know that in the past couple of years the government has been leasing office space, paying pretty fancy prices for it and allowing it to go unused. Tens of thousands of square feet have been allowed to go unused for months on end. I shall say no more about that, other than to say that the government should take more care in respect of some of the jet set attitudes which prevail in some of the ministerial offices.

• (8:30 p.m.)

I appreciate very much the fact that the minister is patient enough to sit here and listen to some of the comments I shall make with regard to the proposed estate tax legislation. I say this sincerely, because for our part we have some specific criticisms to make and

it may well be that the criticisms I will be making will be based on a misinterpretation. If the minister is able to refute these specific criticisms, then we may find ourselves able to support the bill. I hope the minister will be in a position to turn aside what I consider to be some glaring inconsistencies in his proposed estate tax legislation.

I have been intrigued with the Minister of Finance (Mr. Benson) for some time, and I have taken the trouble to look up a number of his old speeches. One speech in particular which I found very interesting was delivered on January 16 to the London West Liberal Association. Surely, the minister recalls this speech very well. After reading this speech, one comes quickly to the conclusion that the minister feels he has been unjustly attacked in respect of estate tax legislation. He went back into history and referred to some rather surprising historical names to support his conclusion. The minister made reference to Julius Augustus, Plato and one or two others. What did the minister say in his speech to the London West Liberal Association? He said it was a solemn obligation on the part of the state to take pains to avoid scheduling taxation which results in extreme wealth on the one hand and poverty on the other. That is a very commendable attitude on the part of the Minister of Finance in our time. One can have no quarrels with that, but I should hope the minister would be a little more successful in translating his high ideals into a form of reality in respect of tax measures.

The minister has failed in certain respects in this bill before us to introduce or maintain equality in the proposed rates of taxation. The minister must be well aware that if there was some consolidated opposition to the proposed changes in estate tax rates it was first of all because he lately proposed to reduce drastically certain exemptions. These reductions would have had the effect of making estates of a rather modest size subject to taxation. He has since conceded that it is necessary, perhaps as a result of representations or pressures, to exempt estates under $50,000 from taxation. Unfortunately, the minister has not followed that idea of making estates under $50,000 exempt in the true sense of the word. While estates of $50,000 or less will not be subject to tax after this latest modification, the minister has distorted if not destroyed any inherent exemption in respect of estates over $50,000 and up to $80,000.

When looking at the tables supplied by the minister, one sees a grave distortion because of the lack of progressiveness in respect of taxes levied on estates of $55,000, $60,000, $65,000, $70,000 and $85,000. I intend to put on the record in a few minutes some figures to show just what the marginal rate and the effective rate of taxation will be on these smaller estates; those over $50,000 but under $100,000.

I do not want to be too critical of the minister in a general way because I do not feel he deserves some of the exaggerated criticisms levelled at him in recent weeks. Perhaps some of the criticism has occurred in this house, but certainly the most abusive and exaggerated criticism has been levelled outside this house. I do not think it is fair to refer to the minister by the nickname "Red Benson". I do not think that is very fair to the Minister of Finance, particularly in view of his rather idealistic notions in respect of taxation. In any event, he is certainly not putting those idealistic notions into effect. He is not proposing anything in this legislation that borders on confiscation.

Perhaps it would be of interest to note a particular passage which the minister quoted from the report of the Ontario committee on taxation which was tabled several months ago. Let me cite the minister's quotation:

> Though differences in wealth will always be with us, extremes of affluence and poverty must be prevented in the interests of a stable society. While other arguments may have been added in the theoretical support of equalitarianism, there is a continuing validity to Plato's warning that the state should avoid riches and poverty—"for the one produces luxury and idleness and revolution, the other revolution and meanness and villainy besides".

I support and agree completely with this idea. That is to say, an extreme of riches produces luxury and idleness and revolution while the other produces revolution, meanness and villainy. The report then states:

> A reasonable tax and wealth is one way of ensuring a proper balance between these two objectives; capital accumulation and control of extremes of wealth.

Having that in mind, and a proper review of taxation in the modern state, one would have hoped the minister might have been a little more careful in setting up estate tax rates. Let me point specifically to a very bad feature or effect of the new estate tax changes. Let us take for example an estate that is left outright to a widow and which, on her death, is divided equally amongst her adult children. In the case of a $60,000 estate, under the new proposal the estate will pay more in estate taxes. In the case of an $80,000

estate left outright to the widow and, on her death, left to one child, under the new proposals the estate will pay more than under the existing estate tax rates. This is based on the $60,000 and $80,000 rates. Let us turn to the effect of the new proposals on an estate left outright to a widow which is left on her death to one child. I have in mind an estate of more than $1 million. In this case, instead of the estate paying more, as in the case of a smaller estate, it will pay less. As a matter of fact, it will pay $85,000 less in taxation. Perhaps I am misinterpretating the minister's tables, but it would appear that on a $1 million estate left to a widow and, on her death, to one child, under the existing taxation system the tax would be in the order of $511,000. Under the new rate it wauld be $434,000. I take that to mean there would be $85,000 less in taxes.

• (8:40 p.m.)

In other words, the tax saving alone on the very large estates will in this instance be more than the entire size of the estate that will be taxed more heavily under the new proposals. So I agree with those members of the Conservative party who have made a point of saying that there is really nothing beneficial under the proposals of the minister in so far as modest sized estates are concerned. Quite frankly, I think that is where our concern should be, for the reason some members of the government party mentioned this afternoon. I still hear ringing in my ears the words spoken this afternoon by the hon. member for York North (Mr. Danson) and the hon. member for York East (Mr. Otto). They both spoke to the same effect, namely, that the leaving of large amounts of capital wealth by one generation to the next is not particularly beneficial to the family line itself, to the inheritor, nor to the country.

I agree with those who state that there is something beneficial, perhaps something nice, if I may use that word, about the idea of one generation giving a helping hand to the generation that comes after it. This we have done in the form of increased educational opportunity, better health service, health care, and so on. I agree also that the idea the state should approve of one generation helping the next generation by monetary assistance, if you like, is laudable and supportable. As far as I know, no one in our group is opposed in principle to the idea that our tax laws should be benign and approve of the leaving of small estates by one generation to the next. But when we are dealing with estates of the order of $500,000, $1 million, $1,500,000 or $2 million, there is nothing beneficial in looking at the problem in the broadest possible way and allowing transfers of huge amounts of wealth from one generation to the next. This in fact helps to accentuate the extremes of wealth and poverty and perpetuates economic injustice.

We in this country have heard a great deal in the last five years about this government's intention to fight a war, a crusade, against poverty. The government cannot seem to find the money with which to wage an effective war against poverty. Let us consider the number of family units in this country that in 1964 were considered to be living below the poverty line and compare this with the number of family units today considered to be living below the poverty line. In 1964, what could be purchased for $3,000 would require today about $3,500. The number of household units, or families, in this country still living below the poverty line is about the same; in other words, there has been no progress whatsoever in our much publicized war against poverty in Canada.

The concern in this respect does not seem to be mounting. Tax legislation is put before us, and suddenly there is great preoccupation and concern about what will happen to those children who will inherit large amounts of money; there is concern that they may have to pay a little more in the way of estate tax. I suggest that between reality and the ideals hon. members have expressed there is a wide gap. That wide gap is not closing when one considers the tax legislation proposed by the minister, because one sees that the very large estates come off best and the smaller estates pay more than is the case under the existing estate tax system.

Mr. Benson: Mr. Speaker, would the hon. member accept a question?

Mr. Schreyer: Yes.

Mr. Benson: I do not wish to interrupt, but I wonder whether the hon. member realizes this: If one looks at the tax rate on $1 million estates about which the hon. member was talking, and assumes that people with $1 million have the best possible tax advice, the minimum amount that can be paid is $305,300, and the amount proposed is $338,400; and from this one could save much by gifting.

Mr. Schreyer: I have already said that in the case of estates which a number of children would be inheriting there is really nothing disproportionate in the minister's schedule. But when one looks at the minister's figures one sees that with respect to an estate under $100,000, certainly under $90,000, which is being left outright to a widow, and on her death to one or two children, more will be paid in the way of tax once the new law comes into effect than is the case at the present time. Once you get over the $100,000 mark with respect to estates being left in a similar way to a widow and one or two children, less tax will be paid. This is the simple fact of the matter, and I cannot understand why the minister would be satisfied to leave it this way.

Surely, there must be some way in which to avoid this glaring lack of proportionality or progressiveness. To realize the inequity that will exist, one has only to compare the tax effect on estates under $100,000 with those over $100,000. The situation gets worse as the value of the estate increases. At the $1 million mark there is, as I have said, a substantial reduction in tax. Would it not have been better to increase the exemption to a basic $50,000 and then to leave the marginal rate of tax on estates over $1 million at 54 per cent as it was, rather than reduce the marginal rate at the top so that the same marginal rate is being applied to inheritors of estates of $300,000 as it is to $1 million estates? They are paying the same marginal rate as those who will inherit estates of $1 million or $2 million. I do not think this is a very equitable way to proceed with what is alleged to be estate tax reform.

I would like to put on the record some figures with regard to the effective rate of taxation on estates of various sizes. Let us compare the old estate tax rates with the new ones. The effective rate on a $55,000 estate, for example, will be 50 per cent under the new proposals. On a $60,000 estate, the effective rate will be 50 per cent. On an $80,000 estate, the effective rate will be 36 per cent. The effective rate decreases gradually. I think it is possible to generalize as follows: With respect to estates valued at less than $90,000 the effective rate according to the new proposals will be 10 to 15 per cent higher than under the existing estate tax system. The effective rate on estates of $500,000, $1 million and $2 million will be less in comparison to the existing rates than is the case with smaller estates.

• (8:50 p.m.)

It is difficult to verbally convey statistical data. I ask the minister to read this document which has been prepared by specialists in analysis. Tax reform in Canada still has a long way to go. It is my opinion that within three or four years the government will implement substantial tax reforms in this country, one of which should include tax on capital. The proposed new rates will reduce initiative and have negative effects on our economy. What is even more destructive of personal initiative is a system which taxes income very highly and does not tax capital gain or inherited wealth. One does not have to ponder too much to reach the conclusion that taxation on wealth or capital is destroying initiative at a time when high rates of taxation on earned income are being levied.

When the hon. member for Waterloo (Mr. Saltsman) moved his amendment yesterday it was for the following reasons: The proposed legislations was not designed to produce more revenue than the existing legislation but rather increased the rate of taxation so that it weighed more heavily at the top end of the scale. I have already dealt with the fact the proposed legislation is not progressive enough, Mr. Speaker. Small estates are subject to a higher rate of tax than estates in the bracket of $1 million or more. The proposed legislation is completely inadequate in terms of introducing real equity into the tax structure.

As the minister knows the introductory paragraph of the Carter Commission report stated the tax system in Canada is basically inequitable. This is the sum and substance of the commission's findings. There can be no more damning indictment of a tax system than that it is inequitable. The government has had the time to study the recommendations of the report. What have they brought forward? The Government has introduced Bill C-165, which purports to be more equitable with respect to tax treatment of estates, the transfer of wealth from one generation to another, and for the life of me I cannot see how it can possibly be termed more equitable.

I have already pointed out it is the small, modest estates of between $50,000 and $90,000 that will bear the heaviest burden. In case hon. members have not been impressed by this argument, I refer to the fact that even after the latest modification conceded by the minister in the case of a $60,000 estate left to a widow and one child, the amount of tax paid will increase from $2,600 in actual tax

levied to $4,800, almost double. In the case of a widow with two children, the amount will also be increased.

How can the minister possibly say this is a logical, coherent, progressive tax proposal? No one would object to one generation giving a helping hand to the next by building up a modest estate. It is precisely in this case where more tax will be collected. But then, lo and behold, estates of large size, the people who have enjoyed an abundance of opportunity and a concentration of economic power in their hands, when transferred to a widow with one or two children, the tax will be less.

If I am wrong in my interpretation, I would be happy to hear how the minister explains this apparent aberration which appears in this tax bill.

Mr. Stanfield: A good name for that bill, apparent aberration.

Mr. Schreyer: A commendable feature of the bill proposed by the minister is that estates passed to the spouse will not at that point be subject to estate tax. This is fine. We could have had a bill which we would have supported in every sense of the word if only the minister had got rid of those aberrations which have the effect of hitting the smallest estate harder while the very large ones in some instances reduced taxation. The minister has an opportunity to speak on the amendment, and I wish he would exercise that opportunity.

• (9:00 p.m.)

Mr. Alastair Gillespie (Etobicoke): Mr. Speaker, I should like to refer briefly to some of the remarks made by the previous speaker, the hon. member for Selkirk (Mr. Schreyer), and his predecessor. The hon. member for Selkirk was speaking in favour of the amendment. It seemed to me that his was a refreshing performance after that of the hon. member for Crowfoot (Mr. Horner). At least, it started out that way. It was sensitive at first but then it seemed to me that the hon. member became confused and distorted the record as presented in the schedules from which he read. He also referred to aberrations. I suggest that the aberrations are in his own eye. If he looks at—

Mr. Schreyer: Mr. Speaker, I rise on a point of privilege. I did not make any charges or statements that were in any way a deliberate distortion of the minister's own tax schedules. The minister has supplied every member here with a tax schedule showing what will be the effect of these proposals on estates of different sizes, of, in cases where estates are left outright to a widow, or a widow with 1, 2, 3 or 4 children, estates left outright to children, and so on. The hon. member suggested that I had distorted—

Mr. Speaker: Order. This is a point for debate, not a question of privilege.

Mr. Gillespie: Let me just refer the hon. member for Selkirk to schedule 1A, the last column, item No. 3. Under the present law a $1 million estate left to a widow with one child qualifies for an estate tax of $305,000. Under the proposed law the tax payable is $434,000. That is what I think the Minister of Finance (Mr. Benson) was trying to point out to the hon. member opposite who referred to aberrations, and I am suggesting that those aberrations are in his own eye.

I should like to refer to some of the remarks of the hon. member for Crowfoot. I think we were all impressed by the sincerity as well as the volume of his remarks, and indeed by his imagination. If the fields of the farmers on whose behalf he claimed to speak were half as fertile as his mind, our agricultural production would increase tenfold. The hon. member referred with modesty to the little wisdom that he had shown, and also mentioned that he was impressed by wastepaper baskets. As we listened to his remarks we were reminded of exactly the same thing.

In rising to speak on this issue I am conscious that I may cover some of the ground that other members on this side of the house have covered. However, I want to emphasize to all members the social importance and the justice of this proposal that is before us this evening. This measure is going to benefit, in terms of family security, thousands of families across Canada.

This is the first time that we have had an imaginative approach to estate tax. I refer in particular to the tax free transfers during life and at death between spouses, and in particular to the very much larger exemptions for younger children in the form of bequests. I should like to give a couple of instances. By eliminating pensions, a real inequity has been removed from many estates. Under the existing law a survivorship pension in the hands of a widow forms part of the taxable assets of her estate, or more particularly her husband's estate. For example, a widow at age 64 receiving a pension of $250 a month would have that pension valued for estate tax purposes at $32,000, which is a big bite out of the

basic exemptions for which a widow would be eligible. A younger woman aged 40 receiving $250 a month would have her pension valued for estate tax purposes at $50,000. Both of these situations will now be eliminated by the bill before us.

I should like to draw the attention of hon. members to the case of the young family of a widow of, for instance, 35 consisting of four children under ten. Under the old act that family would have had up to $100,000 in exemptions,—$60,000 for the widow and $10,000 for each minor. Under the new bill there will be no tax payable on the death of her husband and the transfer of the assets to the wife.

Let me take the case where this same widow might be killed shortly after the death of her husband. Under the old act her estate, which one can presume would have been made out in favour of her children, would have had a basic exemption of $100,000; that is to say, $40,000 general exemption and $15,000 for each child, for a total of $100,000. Under the proposed bill these exemptions rise to $160,000 before any tax is payable; $35,000 for each child and a $20,000 minimum exemption. The amount of $160,000 for a young family which the father has provided through life insurance and other means is not a large estate if the wife has to face the future alone. In short, these changes will help those who are the most vulnerable. I refer to the aged widows and the young families, those who can the least provide for themselves, those who in fact need help.

• (9:10 p.m.)

There have been several forms of criticism and I should like to single out two in particular for comment. In leading off the debate for the opposition the hon. member for Edmonton West (Mr. Lambert) said we were taxing success. In his remarks, as reported on page 5183 of *Hansard*, he said that this estate tax would continue "for generation after generation", as if he had suddenly discovered something new. Those were strange words to come from one who was a member of a previous government that last revised the estate tax legislation. He made several further statements, the import of which were that the estate tax was a new tax that Canadians face. At page 5184 of *Hansard* he said in so many words what he took the attitude of the government to be. I quote:

'We will tax you because the more you save the more you have, and so the more we will take away from you.'

[Mr. Gillespie.]

That is his idea of the government's attitude. Remarks of this sort seem designed to appeal more to the emotions of men rather than to inform them.

The hon. member for Crowfoot (Mr. Horner) considered this a tax on capital. I say to him, has he better suggestions for raising the revenues needed in the country today?

An hon. Member: But are they needed?

Mr. Gillespie: If he can in some way save or collect $200 million by implementing other measures, let him say so. Let him make suggestions. Of course, Mr. Speaker, the estate tax is a tax on success. How could it be otherwise, and why should it not be? Why should not the strong be taxed rather than the weak? Why should not those who have been fortunate help to pay for those who have not been so fortunate. What is wrong with that? Why should the well off not pay at a time when it is easiest for them to pay, that is, after their families have been provided for and on the death of one of the partners?

The second main criticism I have heard stems from the belief that somehow or other farmers have special claims for better treatment than businessmen ought to receive. I am not persuaded by the arguments of hon. members opposite. It seems to me the small businessman has an equal claim to consideration. The problems of farmers and businessmen are those of liquidity. Those who criticize succession duties imposed upon family businesses passing from one generation to another seem not to have heard of estate planning and seem to have ignored the fact that the minister has provided, as a matter of right, for instalments payments of tax debts over a period of five years.

The drawing of a will is a most solemn and personal matter, probably one of the most solemn and personal things a man has to do during his lifetime if one excludes the marriage contract. For many it is a final accounting. It is their way of saying, "I have totalled it up and this is the way I am going to leave it." So, it is not surprising that there should be thousands of Canadians who are concerned about the effects of these changes. Many of them think they have made a final accounting. They wrote it on a piece of paper and tucked it away in the bottom drawer. But they will have to pull out that piece of paper and obtain advice. For many, this will not be easy; for some it may not be possible.

Mr. Peters: Especially if they have left nothing.

Mr. Gillespie: The minister has recognized some of the difficulties likely to occur. He has provided for executors of estates and for estates generally to choose as a matter of right the most favourable exemption schedules up until July 31 of this year. I shall ask the minister to give further consideration to this area of the matter, since it needs clarifying. There may well be estates that, because of prevailing circumstances, cannot take advantage of existing provisions. I am, of course, referring to the type of situation we have here in Ontario. In Ontario we shall have to wait for the provincial government to amend its succession duty act to make it compatible with the federal Estates Tax Act, so that possible benefits accruing under the Estate Tax Act can flow to the people of Ontario.

Mr. Stanfield: Will the hon. member permit a question.

Mr. Gillespie: I wonder if the hon. member would ask his question when I have finished my remarks.

The drawing of wills is a complicated matter, and it is not always easy for one to obtain the advice one needs. I suggest we need to give further consideration to this point as July 31 may come around too soon for some.

The second point we ought to consider is that some people who have drawn wills may now be mentally incapacitated or infirm in some way and not able to change their wills. They may not be able to derive benefits from the new act. It seems to me that we ought to consider this point also.

Mr. Stanfield: They are lucky. They will never know about the act.

Mr. Gillespie: I have referred to estate planning. I should like to draw your attention, Mr. Speaker, to a number of provisions in the bill and to comment on their implications as I see them. The minister has said on a number of occasions that gifts up to $2,000 a year by each parent to each child are to be tax free. That is to say, if you have a normal family of a mother, father and children, $4,000 each year may be transferred to each child each year until the death of the first partner. After that, $2,000 a year may continue to be passed on tax free. I wish to make two points clear. First of all, over a ten year period this provides an opportunity for parents to pass to each child $40,000.

Mr. Peters: I don't know anybody with that much to pass.

Mr. Gillespie: Secondly, the transfer does not have to be in cash. If a parent makes gifts exceeding $2,000 a year to a child that parent is liable to pay gift tax on the cumulative total of such taxable gifts which are over and above the basic minimum I have just referred to. Through estate planning, it is possible to split estates and to minimize the effects of gift tax liability. For example, if one looks at the schedule one will see that accumulated gifts of $200,000 would be taxable at $71,500 and at the marginal rate thereafter of 75 per cent. If the gifts were split, and made by husband and wife, that is if they each gave $100,000, the tax is $21,250 for each parent, for a total of $42,500, which is $30,000 less than the figure I mentioned previously. The marginal rate also is only 36 per cent, half the marginal rate on the unsplit $200,000 accumulated gift.

• (9:20 p.m.)

May I refer quickly to other opportunities allowing for the transfer of assets to those of younger generations. I have already referred to the exemptions for younger children and to the fact that for each child under 11 years old the exemption is now $35,000. I referred in my example to a family of four children under the age of 10. The total exemption for that family would be $160,000. Similarly, the exemption in respect of disabled children has been considerably increased. An adult child aged 41, for instance, who is dependent because of infirmity would qualify for an exemption of $40,000, and provision is made for exemptions to dependant adult children up to $80,000. Surely, this is a compassionate move. For adult children not so dependent, the exemption is $10,000. I have referred also to the provision for the payment of estate tax over a period of five years in six equal instalments. This will enable estate planners to use much more latitude when considering ways and means of financing the tax, because it will take the heat off the forced sale.

One further point on estate planning: It may be argued that only those who are wealthy can afford the kind of tax advice which will enable them to undertake estate planning. I would say that anyone who has an estate of $50,000, or is likely to have such an estate, is quite able to afford the kind of tax advice needed to minimize the effect of estate taxation. The fact is that anyone who has an estate worth more than $50,000 should seek

the advice of a tax consultant or an estate planner or a lawyer. He cannot afford not to do so.

In conclusion, I should like to refer to the terms of the amendment. We are asked to give consideration to a complete revision of the federal tax legislation with a view to making revisions in such legislation which would be progressive and equitable. It seems to me, Mr. Speaker, that in the three months since these proposals were put forward in the budget resolutions there has been ample opportunity for intensive review. The very fact that changes have been made in those resolutions reflects the kind of intensive examination which hon. members may have requested. The amendment refers to a progressive tax and to equity. I suggest that both principles are well embodied in this bill. It seems to me the hon. member who moved the amendment wrote it out before he had read the bill.

The whole area of estate taxes is one of the most complicated in tax law. It touches on the most personal plans of thousands of people. Some larger estates will be worse off under this measure. Some of the 5 per cent of the people who pay will have to pay more. But for 95 per cent of the people of Canada and for a very large proportion of the remaining 5 per cent, the proposals contained in the new bill represent a major improvement.

Mr. Stan Schumacher (Palliser): I was somewhat surprised, Mr. Speaker, to hear the previous speaker, the hon. member for Etobicoke (Mr. Gillespie) suggest, in connection with the government's taxation policy, that the government was acting on the principle of the strong helping the weak. That came as a great surprise to me in the light of the record of the party which he supports. I am thinking particularly, now, of the social development tax of 2 per cent with its $120 limit and the fact that in the legislation now before us the minimum rate of estate tax has been increased by 50 per cent, from 10 per cent to 15 per cent, and the maximum rate reduced from 54 per cent to 50 per cent. How can anyone say this is a policy of the strong helping the weak? I fail to see it.

Some hon. Members: Hear, hear.

Mr. Schumacher: In rising to join in this debate, I do so as a member from a province which is presented with a particular problem in this field. My province has a peculiar relationship with this estate tax issue inasmuch as it has declined to profit by this field of taxation and today rebates to its citizens the provincial share of federal taxes raised in such a way.

As the minister himself has pointed out, 75 per cent of the tax revenue raised by federal estate tax goes back to the provinces. In the province of Alberta, the amount raised by federal tax collectors in this connection is rebated to the individuals concerned. This sounds like a neat, straightforward operation at the end of which the taxpayer is fully recompensed, having suffered no financial loss. Unfortunately, this is not quite the case.

Although the federal tax collectors know that the money will eventually be paid right back to the beneficiaries of the estate, the federal tax collectors still insist on collecting the money, taking it into the federal coffers, and paying a lump sum back to the provinces which must then be rebated by the province to the individuals concerned. Apart from the cost and effort involved in this process, there are two serious drawbacks attached to it. First, those responsible for the collection of federal estate tax insist on prompt and full payment of the tax even though they realize it will eventually be rebated. Second, and this is much more serious, the sum rebated can be viewed as income by the federal government and taxed as such, as pointed out by the hon. member for Edmonton West (Mr. Lambert) in his speech yesterday.

I cannot believe that the minister would have gone to all this trouble, and courted the public abuse he has received in respect of this measure, simply for the sake of the revenue which the estate tax will produce. On his own admission this revenue, according to the estimates he has, will amount only to some $30 million.

Perhaps the answer lies in the income tax revenues which he expects will flow from taxable provincial rebates, particularly in view of the fact that several other provinces have indicated they will follow Alberta's lead in rebating this tax. Whatever his reasons for perpetrating this tax horror on Canadians, the minister has so far shown no public awareness of what the impact will be. He has scrambled a few figures around and made a few more confusing statements, but the main body of his tax measure remains untouched. As it now stands, this tax proposal is a lethal weapon pointed directly at the family farm and the small businesses across Canada. If it becomes law, it will wipe out a large segment of our national, social and economic life within one generation. The minister has made

light of this claim and says everyone will be much better off than before. He seems to think that by raising the tax floor from $20,000 to $50,000 people will believe small businesses and family farms will be made safe. If he really believes that, which I doubt, then he is sadly out of touch with the facts of Canada's economic life.

• (9:30 p.m.)

After all, the revisions announced by the minister on January 30 do not change the exemptions one iota. All he has done has been to say that no estate under $50,000 will be taxed. The $75,000 estate will still be gouged as heavily under the revised proposal as under the original. Thanks to the reckless spending habits of his colleagues of this and previous Liberal governments, inflation and rising costs have made $20,000 look like $50,000 and $50,000 look like $100,000.

Let us take the example of farm units in the province of Alberta. The latest reliable figures are those available in the 1966 agricultural census, and we should remember what has happened to prices and costs since then. I read in the newspaper last night that real estate prices in Ottawa have risen 13 per cent in the past year. If that is true of real estate in this city, just think what has happened to the capital value of farm units since 1966. In that year there were 69,411 farms in Alberta. Of these, only 519 were run by managers. The others were all owner or tenant, or owner-tenant operated. In other words, they were farms that could be designated as family or privately operated farms, not run by syndicates or large corporations.

As of 1966 there were some 30,000 farms in Alberta capitalized at more than $50,000, and another 20,000 or so just under that figure. The latter have probably graduated to the $50,000 figure by now after three years of spiralling costs and inflation. Perhaps these figures, Mr. Speaker, will give the minister some idea of the dimensions of the problem his new estate tax has created for Canadians.

The Saskatchewan Association of Rural Municipalities sent the minister a letter some time ago about his new tax. They drew attention to the menace it posed to farming in particular. The letter reads in part:

> Because of high land values and large land holdings which successful farming operations require, farm estates attract large estate taxes but have no liquid assets readily available to pay them. We cannot see how our national wellbeing would be served by the breaking up of production units to pay estate taxes.

Nor do I, Mr. Speaker. The proposed tax system, the letter states:

> —will expose the farm estate to taxes which could compel the farm to be broken up and sold.

It is true that the minister has now made an allowance for payment of estate taxes on an instalment basis. This is hardly a measure of relief. It is very like the hangman telling the condemned man that instead of breaking his neck quickly with one short, sharp drop he will be merciful and let him strangle to death slowly.

No, Mr. Speaker, however one looks at this tax it is an iniquitous and unnecessary measure. Personally, I believe in abolishing all taxation of estates. I am unalterably opposed to any action that tends to discourage individual initiative and business enterprise, and even more to any measure that destroys accumulations of private capital. If we pursue such a blind policy as the discouragement of individual business enterprise and the destruction of private capital, the nation is doomed to slow economic death. History is full of examples of what happens to a state that follows this course.

Canada remains ravenously hungry for capital. It is among our largest imports. One of our most pressing needs for the realization of our potential as a people and as a nation, is capital. The last thing we should be doing is taxing our own sources of capital out of existence. One of the most interesting documents on this subject is the report of the Economic Council of Ontario. Last fall the Council finished an exhaustive study of the question for that government. The report notes:

> While allegedly aimed at the "redistribution of wealth", these taxes (death duties and estate taxes) are to a very significant degree extracted from individuals who by today's standards cannot be considered wealthy.

And then later on:

> One may question whether a $70,000 farm represents an "undue concentration of wealth" when carried to this degree ... (and whether to tax it) ... is economically sound policy.

In its introduction to the chapter on transfer taxes, the description used by the council to cover all estate and similar taxes, the report states:

> Though the percentage of revenue from transfer taxes received by the Canadian governments is exceeded among the nations of the western world only by the governments of the United States and United Kingdom, the relative maturity of the economies of these two prominent countries, when

compared to that of Canada, raises a question as to the merit of thus dissipating and discouraging private accumulations of investment capital.

The answer may well be that most Canadians are unaware that transfer taxes are, in fact taxes levied on investment capital... and that Canada ranks above all other nations in the share of taxes raised from all forms of capital investment.

There is irony indeed that Canada, which needs capital almost more than any other western nation, is the most assiduous in destroying the incentive for accumulating such capital and, when such accumulation is made, taxing it out of existence. I am absolutely opposed to this legislation, Mr. Speaker, in theory as well as fact. I believe that instead of considering ways of increasing the tax burden on private capital we should be considering measures to free it entirely from its government-imposed shackles.

Mr. John Roberts (York-Simcoe): Mr. Speaker, there is no doubt in my mind that the government's proposals for estate taxes have caused a great deal of concern, particularly among rural people. In common, I suppose, with many hon. members I received many letters, indeed hundreds of letters, concerning this subject. Along with the hon. member for York North (Mr. Danson), I have conducted conversations, discussions and meetings with various farm organizations. I found that as we explained to the farm organizations the facts of the matter, a great deal of their concern evaporated. There is a great deal of misunderstanding and misrepresentation,—no doubt accidentally,—in the press in relation to the estate tax, and I think this is very unfortunate. I think this is very unfortunate because the Minister of Finance (Mr. Benson), who should be receiving credit for a progressive piece of legislation, is receiving a few brickbats.

The fact of the matter is that in introducing the five year period to pay, a great progressive step has been taken. The fact of the matter is that in enabling wives to inherit tax free, and receive gifts tax free, a great progressive step has been taken. We have heard a great deal of talk to the effect that the family farm is going to be hit and will probably disappear. The facts are that most family estates are going to be much better off under the new legislation than they were under the old provisions.

I was frankly amazed at the argument presented by the Leader of the Opposition (Mr. Stanfield) in relation to this measure. It is a complex problem. He had a very simple solution—throw the thing out. Why? Well, there has been a lot of confusion, a lot of misunderstanding. What does that prove? That proves it was really a half-baked idea. Really, I do not think that proves it was a half-baked idea.

[Mr. Schumacher.]

• (9:40 p.m.)

If the government were unprepared to listen to reason he would be the first to complain that they were rigid, that they were stonewalling or that they were arrogant. When the Minister of Finance is prepared to accept reasonable suggestions from people on whatever side of the house he says, "Ah, that proves it was a half-baked idea". He says, "Let us talk straight; let us not have any confusion". Well, let us not have any confusion. Let us talk straight about where he stands on this issue. He says "Throw it out". What does he want to throw out? Does he want to throw out the five year payment principle? Does he want to throw out the fact that wives will receive tax-free inheritances? Does he want to throw out the fact that wives will be able to receive gifts tax free? Does he want to throw out the fact that the gift tax exemption has been effectively nearly doubled? I ask what is it that the hon. Leader of the Opposition (Mr. Stanfield) wants to throw out.

When we get to the hon. member for Crowfoot (Mr. Horner) then the confusion becomes compounded. What does he say? He said that the Minister of Finance says the burden is not too great. Then, this member says "But let us talk to the farm leaders". Let us do more than talk to the farm leaders; let us have a look at the facts. The fact is that the new proposals do not, on an over-all view, reduce exemptions on estates. What they do is provide advantages to estates involving families with children in comparison to those involving families without children. That is because there is a new exemption. Perhaps the Leader of the Opposition wants that thrown out too. There is a new exemption of $10,000 for each child no matter what his age is. It is true that the basic exemption has been lowered from $40,000 to $20,000, but the total exemptions will slide upwards depending on the number of children in the family.

We should really keep in mind that these exemptions in many cases apply twice. That is to say, the exemptions will apply at first on the half of the estate going to the children and they will apply again on the half of the estate which is provided to the wife when it

passes to the children upon her death. So, in circumstances I have described the exemptions applied to the estate will be at least equal—and where there are children in most cases they will be more—than at the present time, provided the husband divides his estate between his wife and child.

Now, there is a new gift tax exemption. Perhaps that is something the Leader of the Opposition wants to throw out. It is double the previous exemption. It is not an exemption that applies only to children. It can be given to any person. So, in many cases expensive gifts can be made tax free over a period of time. For example, a man can give $2,000 a year to his son tax free. He can also give $2,000 to his daughter-in-law tax free. He can give $4,000 to his wife tax free and she can pass on $2,000 each to the son and to the daughter-in-law tax free. In one year, therefore, $8,000 can be transferred tax free within a family situation.

It may be true that some family farms or businesses will have difficulty paying their estate tax. But they would have even more difficulty paying if the estate tax changes were not put into effect, both because of the extended time given for payment and because an estate, properly arranged, will now generally pay less tax when there are children in the family.

Estates will quite properly be arranged so as to minimize their tax. If the estates are changed, and if we are dealing with a family estate, the tax levied under the new proposals will almost always be less than at the present time. But if people refuse to take advantage of the opportunity offered them, they may pay more tax. It is misleading to suggest that people will not take advantage of the new provisions. It is even more misleading to imply that if they do not choose to take advantage of these provisions they will be forced to pay higher taxes. The fairest thing is to compare the minimum tax they would have to pay under both the old and new legislation if they take the most advantageous way of arranging their estate. On such a comparison, a family estate will now pay less tax.

Let me illustrate my statement with some figures. The hon. member for Crowfoot had some trouble with his figures and the hon. member for Palliser (Mr. Schumacher) does not really understand the situation very well either. Let us look at the least advantageous situation, that in which there is one child. On an $80,000 estate, if the tax is arranged as favourably as possible there will be a tax of $1,500 which is $1,100 less than it would be under the most favourable conditions at the present time. If the tax were paid on an instalment basis the instalment payment would be $300 a year for 5 years; and on an estate of $80,000, at 6 per cent, the income on the assets would be $4,800 a year. Let us go to an estate in the amount of $100,000. The tax would be $3,000. That is down $3,200 if the estate is arranged as favourably as possible. The amount paid on an instalment basis would be $600 a year. And at 6 per cent the amount paid on $100,000 would be $6,000 a year.

Then, we might take an estate of $120,000. The tax would be $9,600. This is down $600 in respect of an estate arranged on the most favourable basis at the present time. The tax on the instalment basis would be $1,920 a year for 5 years and with interest at 6 per cent the amount of return on $120,000 would be $7,200. On an estate of $150,000 the tax would be $15,300. That is down $1,500 over the present situation. The tax on an instalment basis would be $3,060 and the annual income on the asset would be $9,000. On an estate of $200,000 the tax on an estate arranged in the most favourable way would be $26,400. That is down $2,200 over what would be paid under the most favourable circumstances at the present time. The tax instalment would be $5,280 and the revenue at 6 per cent interest would be $12,000 a year.

If we start to deal with estates valued at half a million dollars or more there will be more tax paid than at the present time. It may be that the hon. member for Crowfoot is worried about those estates. I would rather worry about the estate valued at under half a million dollars. So long as we are talking of families with at least one child, and an estate valued at less than half a million dollars, under the new arrangement the tax will be less than under the previous arrangement. Those are the facts, and I wish the hon. member for Crowfoot and the hon. member for Palliser would have a look at them.

Someone might ask whether there should be estate or succession duty taxes at the provincial level. It does not make much sense to have them at the provincial level because one province would then have an effective tax advantage over another unrelated to potential economic advantage. Someone might also ask whether we should have a tax at the federal level. One could say that the amount collected, which is approximately $100 million a year, less than one per cent of the federal budget, is not really worth while.

One could also argue on the social side, as I as a Liberal would argue; that is, I do not like a system where a large accumulation of wealth can be passed on from father to son when the person benefiting has not exerted any effort in accumulating the wealth. I would not want to see a situation where enormous sums of money and the power and influence which is attached to them, could be passed on from generation to generation without some regulation.

• (9:50 p.m.)

I do think there is a special problem, and a special case, in relation to farming and family enterprises. Succession or estate tax duties may fall unfairly on family and farm enterprises because of unliquid assets. There are two approaches one can take to this problem. You can say let us evaluate or assess the farm land for estate tax purposes at farming value, not at real commercial value and, if later that land is converted to other uses, let us go back and charge retroactive taxes on the property on the basis of real commercial value. I can see certain disadvantages to this. It might lead to an uneconomic use of the land, if the land is high priced because it could be better used in another capacity, and thus reduce efficient use of our economic assets.

Also, if you follow such a procedure there might be an encouragement to a large number of gentlemen farmers to push into farming simply to reduce their other profits by operating farms at a loss. They would be encouraged to do so because of taxation. The proper way to look at this tax reform is in the committee of finance later on this spring or summer.

Really the solution to the problem in relation to family farms is to bring in, not a $50,000 exemption which the minister has suggested, but a $100,000 exemption. This should deal with the problem of family farms. A $100,000 exemption would take account of the increase in respect of the value of farm property in the past ten years. It is a fair figure.

This second, and perhaps more fruitful, approach should be looked at by the Finance committee later in the spring when we are considering reform of the whole taxation system. The important thing to recognize at this stage, as long as we are talking about family estates under this new legislation, is that these estates are going to be better off than they have been in the past. Whatever injustices or inadequacies there have been in respect of estate taxes, they have been diminished by the progressive steps taken by the present Minister of Finance (Mr. Benson). We may not have come all the way down the road, but we have come down two thirds of the way, as a result of the nature of this progressive legislation.

Mr. Gleave: Mr. Speaker, may I call it ten o'clock.

Mr. Knowles: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order 40 deemed to have been moved.

CONSUMER AFFAIRS—ESTABLISHMENT OF JOINT COMMITTEE ON PRICE STABILITY

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, a few days ago I asked the Minister of Consumer and Corporate Affairs (Mr. Basford) the following question:

> Can the minister tell us when the standing joint Senate-Commons committee on price stability, income and employment, will be established?

The minister's answer on that occasion was very vague. I hope tonight he will answer my question in some way other than by saying that before this joint committee can be established the prices and incomes commission must be established. I hope he will not tell me this, because I already know it.

My question is directed to him for the purpose of speeding up the process of establishing both the commission and the committee. I know they are both essential to the process of dealing with prices and income. The minister's white paper on prices and stability, which will be discussed by the committee on Tuesday, was published about December 20 last. I also know that this idea was not new then. Strangely enough, it was exactly two years to the day when the joint Senate-Commons committee on consumer credit and prices published an interim report. One of the recommendations at that time was that a joint committee be established to review consumer affairs and the state of the Canadian economy. This has already been talked about for two years and considerable thought has been given to it.

It is my considered opinion that the state of the Canadian economy is worse now than it was two years ago. I have been quite impatient because there are a great many people in this country looking forward with great anticipation to a study being made with respect to inflation, prices and incomes. These factors are very badly in need of attention.

The cost of living increased over 4 per cent last year. Pensions and allowances have increased by 2 per cent, but this increase does not come close to offsetting the four per cent increase in the cost of living. While wages have been increasing their ratio to the increase in the cost of living has been lessening. When talking about different factors in our economy one must consider that the one thing completely out of line is the increase of profits to large companies. I do not have to go back in history to illustrate this. Let must just refer to an item which appeared today in the *Globe and Mail*. It states in part:

> Higher profits are being reported by a wide range of companies in initial 1968 annual reports.

It continues as follows:

> Only four of the first 35 companies to report show lower profits for 1968.

The article refers to a number of companies. I shall only refer to one or two. The Algoma Steel Corporation of Sault Ste. Marie had a profit of $1.70 a share compared with $1.22 cents in 1967.

An hon. Member: That's all right.

Mrs. MacInnis (Vancouver-Kingsway): Sure, it is all right for Algoma Steel, but this is the sort of thing we have to deal with when we are trying to keep prices and incomes in line. The Ford Motor Company of Canada Limited, Oakville, showed profits increasing by 58.8 per cent to $30.26 a share last year from $19.04 the previous year.

I could go on through these corporations one by one, but I do not intend to do so. I do want to emphasize that when you look at these factors you find that prices have gone up on the one hand and that the incomes of people have not been keeping pace on the other. They are not now in a position to pay for the things they need. The cost of living has gone up higher and faster than incomes, wages and pensions, yet profits have gone way out of line. These are the things that need to be studied.

The function of the joint committee when it is set up will be to deal with and consider the reports of the commission on prices. Let me read you the minister's own words about the function of the standing parliamentary committee on price stability, incomes and employment, as found in the White Paper:

> What is envisaged is a joint committee of the Senate and the House of Commons. It would receive the reports of the commission for review and discussion and would make recommendations.

What will be the reports of that commission? The minister went on to say:

> While it will be empowered to make recommendations as to government policy, its main function will be to rally a sense of public responsibility leading to voluntary restraint.

The minister emphasizes very definitely that he does not intend to have anything but voluntary restraints. Let me point out to the minister that what we have right now is forced restraints on certain sectors of our population.

• (10:00 p.m.)

We have forced restraint of pensioners, whether they are old age pensioners, retired public servants, people on veterans pensions and allowances, or the blind. We have forced restraint of the most blatant kind, because these people have no means of raising their income. Parliament has turned a deaf ear and a blind eye on them.

Mr. Deputy Speaker: Order, please. The hon. member's time has expired.

Mrs. MacInnis (Vancouver-Kingsway): All right, Mr. Speaker. I just want to say that the profit-makers are running wild and I want to see this situation brought under control.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am grateful to the hon. member for Vancouver-Kingsway (Mrs. MacInnis) for raising this issue tonight and for paraphrasing from the white paper, which says that inflation hits hardest at and has gradual effects on those on fixed incomes, those on limited incomes, those unemployed, and the elderly. It is illustrated again and again in the white paper that these people are hurt most by inflation, and this is why we must evolve new policies to curb inflation.

I am also grateful to the hon. member for raising this issue tonight and urging me, I take it, in the strongest possible terms, to follow up and pursue the policies set out in the white paper. I am a little surprised at this, because the group to which the hon. member belongs has been very critical of

those policies. The former member for Burnaby-Coquitlam, who is now involved in a by-election, made a big speech the other night in Nanaimo in which he said that this policy is no good. Therefore, I am delighted to have support from the New Democratic party for the policies set out in the white paper. I am also delighted to have the hon. member for Vancouver-Kingsway urging me to get on with the policies I have set out in the white paper. I said in the white paper and in the house that I intended to use the policies in the white paper as a basis for—

Mrs. MacInnis (Vancouver-Kingsway): On a point of order, Mr. Speaker—

Mr. Deputy Speaker: Order, please. The hon. member knows that on the adjournment debate we do not follow the procedure of raising points of order.

Mrs. MacInnis (Vancouver-Kingsway): I just want to say that I am not supporting the policy. I am supporting the idea of having the committee study this question.

Mr. Basford: I have said in the white paper and in the house that I would use the policies set out in the white paper as a basis for consultation with interested economic groups before doing the things set out in the white paper. That process of consultation is now under way. I said in the house today, for example, that I had met on Tuesday for a long session with the principal officers of the Canadian Labour Congress. I think that the hon. member for Winnipeg North Centre (Mr. Knowles) in particular would want me to consult with the Canadian Labour Congress before I set up a prices and incomes commission and a parliamentary committee to deal with its report.

This process takes time. I am meeting with the Canadian Manufacturers' Association and the Canadian Chamber of Commerce. I have already had one meeting with two officers of the Canadian Chamber of Commerce. I am grateful to them for the advice they have already given me. I am looking forward to further consultations with that body. This is why the committee to which the hon. member for Vancouver-Kingsway referred has not yet been set up. It will not be set up until these consultations are over and we pass an order in council establishing the prices and incomes commission, which I hope to do as soon as I can. But I will do it only after I have had the consultations that I have promised the people in the private sector I would have with them.

[Mr. Basford.]

TRANSPORT—LEASING OF WATER LOTS ON CANAL SYSTEMS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, on January 29 I asked the Minister of Transport (Mr. Hellyer) whether it was still the department's intention to pursue its program with respect to water-lot leasing on the Trent and Rideau Canal Systems. For the past two years the tourist industry on the Trent and Rideau Canal systems has been threatened with additional taxation by way of water-lot leases. Such legislation, if passed, would affect only the commercial operators on these two canal systems. It would not apply to their competitors on other bodies of water such as the Great Lakes, Muskoka, Couchiching, or Simcoe.

In other words, commercial operators on these two systems are being placed at a distinct disadvantage in relation to commercial operators elsewhere. I venture to suggest there will be numerous cases where property ownership will be in serious dispute; cases where it has never been clearly established whether the shoreline involved does in fact belong to the Crown. Much of this shoreline has never been removed from the deeds of the original and present owners. These people are already paying an annual property tax and, because of the present inflated value of waterfront property, their municipal tax assessments are high. Now the department wants to institute a form of double taxation by forcing them to lease property on which they are already paying a high premium.

There are many questions about such legislation which could well lead to complications. First of all, will the property owner pay for a lease on all improved property? Second, if the property is of such size as to allow for the erection of several docks, will the property-owner pay for a lease on the entire waterfront, or for a lease on each dock, and will he have a choice as to whether to lease the entire property or split it into several separate leases around independent docks?

A further difficulty arises. Due to differences between the nature of one waterfront and another, one operator may have to build a dock out 125 feet or more on a shallow beach-type land contour in order to service a boat docking. On the other hand, another operator, perhaps enjoying access to government improved land which, because it is dredged regularly, is close to deep water, may be able to service the same boat with a 20 foot dock. Nevertheless, the operator with the long dock and the shallow beach will

have to pay more for his lease because of the length of his dock, something over which he has no control. This constitutes an inequity in taxation.

Has the government considered how little profit may be derived from the water lot leasing when the costs have been deducted for implementation and enforcement of the program, a program which is being carried out against a very small segment of Canada's third largest industry. I would point out, however, that it is the largest industry in the Kawartha Lakes district which I have the honour to represent.

Since figures for 1968 are not yet available, and since, because of Expo, the 1967 figures would tend to give a distorted view, I am going to quote from 1966 statistics which indicate that 40 million tourists visited Canada in that year, 18 million of whom came to Ontario and over two million to the Kawartha Lakes region. More than one billion tourist dollars were brought in, $398 millions to Ontario. And the 1968 figures should be considerably higher.

However, as a profit-making business the tourist industry is only marginal. High operational costs, competition between lodge operators and the competition provided by an ever-increasing number of private and provincial trailer parks, some of which are now offering plush facilities, have combined to narrow the small margin of profit enjoyed by lodge owners. Now, these same people are threatened with yet another monetary demand. Where, and when, is it going to end?

If the department feels that legislation to lease water lots must go through, surely a simpler and more economical method could be found. In closing, I should like to suggest that the Department of Transport make a further review of the entire program before going ahead with this method of water lot leasing.

Mr. Stanley Haidasz (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): Mr. Speaker, I am pleased at this time to assure the hon. member that because of the number of representations received on the subject of water lot leasing on the Trent and Rideau Canals the Minister of Transport (Mr. Hellyer) intends to personally review the situation and the program.

• (10:10 p.m.)

HOUSING—REMOVAL OF TAX ON BUILDING MATERIALS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, yesterday I asked the Minister of Finance (Mr. Benson) a question dealing with the recommendation made by the task force on housing that the 11 per cent sales tax presently being assessed by the federal government on building materials be eliminated. My question was prompted by a statement attributed to the minister responsible for housing in Vancouver, at which time he was alleged to have stated that the Minister of Finance might juggle a few items in the budget so as to eliminate the federal sales tax on building materials.

In reply to my question, the minister stated that no consideration was being given to the recommendation of the task force with regard to the elimination of this tax. His reply indicates to me that there is nothing but confusion in this government. In my opinion, they have injected confusion into national policy. Some time ago we had the Postmaster General (Mr. Keirans) pontificating about NATO. He said that NATO had to go. Not content with reorganizing the Post Office Department, he is now endeavouring to reorganize the world.

Mr. Knowles (Winnipeg North Centre): Might be a good idea.

Mr. Carter: Not by the Postmaster General, if his reorganization of the post office is any indication.

We have a task force headed by one minister which says: "Take off the 11 per cent tax on housing". The Minister of Finance says: "It will stay on". So, obviously there is no unity whatever in this cabinet. Everyone knows that the 11 per cent sales tax must come off.

Mr. McGrath: Everyone but the Minister of Finance.

Mr. Carter: Exactly. In my opinion it is the greatest single contributing factor to inflating the final cost of housing. This 11 per cent tax often means the difference between owning a home and not owning a home.

Since the Minister of Finance is not here I will direct my question to his parliamentary secretary. Was the so-called task force on housing just another step in the personal publicity campaign of the Minister of Transport

(Mr. Hellyer)? I ask again: Are the recommendations of the minister and his task force to be pushed aside? Why have a task force headed by a minister if we ignore its recommendations? This government is attempting to take credit for doing something about housing when actually the housing crisis has been brought about by the inflation that has been created by this government.

Canadians are being subjected to what is probably the heaviest burden of taxation in the western world as this government, by its artificially induced inflationary policies, siphons away the prosperity that they have earned. The 10 per cent increase in income tax two years ago, followed by the 3 per cent increase one year ago, the 2 per cent increase for social security, not to mention the vicious increase in estate taxes and this ruinous tax on building materials and homes, in my opinion have contributed to destroying the prosperity of our nation. I say to government members that they should get together and remove this tax on homes, thus giving the average Canadian a chance. The attitude of the Minister of Finance represents outright rejection of the recommendations of the task force on housing headed by the Minister of Transport.

What we have here, Mr. Speaker, is one minister publicly repudiating the advice of another. Of course, I would say that this advice was improperly offered. The Minister of Transport had no business heading a task force. Yet, knowing his great love of, and reliance on, public relations one can see how he was dragged into this situation. But now the position is this: his suggestion has been publicly repudiated and rejected by the Minister of Finance.

Mr. Bell: Shame.

Mr. Carter: He has become unwanted, along with his advice. He is in the position of a minister whose advise has been turned down and whose policy is rejected by cabinet. In my opinion and, I am sure, in the opinion of many Canadians, he has only one thing left to do, and that is resign.

Some hon. Members: Hear, hear.

Mr. Carter: The Minister of Transport headed a task force on housing at great expense to the Canadian taxpayer. It is his opinion that in order to provide decent housing accommodation for the average Canadian citizen we must eliminate the 11 per cent sales tax on building materials. If the Minister of Finance and his other cabinet colleagues refuse to go along with that recommendation, the only honourable thing for the Minister of Transport to do is to resign from cabinet.

Some hon. Members: Hear, hear.

Mr. Carter: I suggest, too, that unless the government follows through on the recommendations of the minister and the task force he headed, he has no other choice.

A recent release by real estate dealers in Ottawa shows that homes in this area have increased about 34 per cent in price since 1965. Liberal governments have been in power since before 1965. In the city I have the honour to represent, St. John's, we have several public housing projects, but some of them are not working out very well. The latest public housing project in St. John's cost the three levels of government, the municipal council, the provincial government and the federal government, over $20,000 per unit to build. I say that if the only way to bring down the price of homes and provide decent accommodation for our average and low income workers is by having the government enter the housing field, then by all means let the government build houses that the average Canadian can live in without social stigma. The houses ought to be built at prices the average Canadian can afford.

Surely, a time when government expenditures are rising higher and higher—they are up nearly 10 per cent in the latest estimates—is no time for anyone to continue gouging our young people in search of a home. May I conclude with a few more words, Mr. Speaker?

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but his time has expired.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member has provided some heat, but I shall attempt to throw at least a little light on the matter. Everyone can, I think, be sympathetic to the idea of lowering taxes where possible. The Minister of Finance (Mr. Benson) has himself indicated that he would like to be able to propose tax reductions. However, he has pointed to the hard fact, Mr. Speaker, that must be faced and that is if important tax reductions were made at the present time the public would either have to pay the same

amount of tax in some other way or go without some service or benefit which it has come to expect from the government.

Estimates based on the value of production of building materials and related statistics led to the conclusion that the sales tax on all building materials now yields over $300 million. The revenue from other materials used in the construction of housing—in other words, single family dwellings, apartment buildings and other units—is even more difficult to estimate but is believed to be between $130 million and $140 million. Thus, if the sales tax on all building materials were to be repealed at this time, I am informed that it would have to be replaced by increasing the rate of sales tax by more than 1.5 percentage points, or increasing the revenue from the present personal income tax by about 7 per cent. In other words, some equivalent measure would have to be introduced.

Mr. McGrath: What about winter works?

• (10:20 p.m.)

Mr. Gray: The exemption only of building materials used in housing would involve lower amounts, but the tax increase in other areas to offset this loss would still be important and difficult.

Mr. McGrath: I said, what about winter works programs?

Mr. Gray: Also proposals to eliminate the sales tax on building materials would affect the 3 per cent old age security tax that is part of the sales tax. An exemption for building materials would reduce the old age security tax revenues which go to pay the old age security pensions.

It would, of course, be very difficult to administer an exemption restricted to building materials used only for housing construction. The tax is paid by the manufacturer of materials who does not know whether the bricks, lumber or glass he produces will be used to build a house or a factory. Any exemption, therefore, would probably have to be administered by refunds or by certificates from builders. It might well be better to consider payments to house or apartment builders or home owners of amounts calculated by some formula which would be approximately equal to the sales tax included in the cost of a housing unit.

In general, Mr. Speaker, the recommendations of the task force with respect to the item raised by the hon. member are certainly deserving of serious consideration. In doing so, we cannot overlook factors such as those I have mentioned. We must certainly take them into account in carrying out our duty to the people of this country.

Mr. Deputy Speaker: Order, please. The motion to adjourn the house is now deemed to have been adopted. Accordingly, this house stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Friday, February 7, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

MESSAGE FROM THE SENATE

Mr. Speaker: Order, please. I have the honour to inform the house that a message has been received from the Senate informing this House that the Senate has passed Bill S-27, an act respecting the Quebec Savings Bank, to which the concurrence of this House is desired.

FISHERIES AND FORESTRY

Fifth report of the Standing Committee on Fisheries and Forestry—Mr. Crossman.

[*Editor's Note: For text of above report see Votes and Proceedings.*]

DOMINION-PROVINCIAL CONFERENCE

TABLING OF CORRESPONDENCE ON AGENDA—EXCHANGE OF TELEGRAMS WITH PRAIRIE PREMIERS

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I wish to table two sets of correspondence. The first is an exchange of correspondence and telegrams with the several provincial premiers concerning items to be included in the agenda of the constitutional conference next week. The second is an exchange of telegrams with the prairie premiers following on their meetings of last week. Included are my answers on various subjects they talked about.

ORAL QUESTION PERIOD

EXHIBITIONS

MAN AND HIS WORLD—CONSIDERATION OF QUEBEC PROPOSAL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask the Prime Minister whether his government has considered the financial proposal reportedly made by the government of Quebec concerning the continuation of Terre des Hommes. Would the Prime Minister indicate any decision his government may have reached?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker. I only saw the telegram from Quebec City this morning, suggesting some form of federal assistance. We will give very careful consideration to it, Mr. Speaker, in due course.

THE MINISTRY

INQUIRY CONCERNING NEW MINISTRY OF HOUSING AND URBAN DEVELOPMENT

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Prime Minister. Is it the intention of the government to establish a separate ministry of housing and urban development as recommended by the task force on housing and to appoint the present Minister of Transport as the new minister of that department?

A supplementary question, Mr. Speaker. Probably the Prime Minister did not hear my question.

Mr. Speaker: Order, please.

Right Hon. P.-E. Trudeau (Prime Minister): I did not think the hon. member was serious in asking the question. Obviously we cannot appoint a minister to a department which has not been created.

Mr. Gilbert: That is why I thought he missed the first part of my question. Is it the intention of the government to appoint a separate ministry as recommended by the task force on housing?

Mr. Trudeau: We are not considering the question, Mr. Speaker. We are waiting for a memorandum from the Minister of Transport, which he said he would send to cabinet.

Mr. Gilbert: This question is directed to the Minister of Transport. In view of the statement that the government is preparing recommendations and legislation to be ready within three weeks, when is it the intention of the minister to bring that legislation forward?

Hon. Paul Hellyer (Minister of Transport): As the Prime Minister just stated, it will be

preparing a memorandum to cabinet indicating the parts of the report I feel are within the jurisdiction of the federal government and on which early action should be taken.

Mr. James A. McGrath (St. John's East): A supplementary question to the Minister of Transport, Mr. Speaker. Would that include removal of the sales tax on building materials?

[*Translation*]

AIR TRANSPORT

AMALGAMATION OF AIR CANADA AND CANADIAN PACIFIC AIRLINES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to put a question to the Minister of Transport.

Can he tell us whether negotiations have been undertaken between Air Canada and the Canadian Pacific Airlines for the possible amalgamation of those two airlines?

Mr. Speaker: I think that this question was asked last week, but the minister could perhaps answer it just the same.

[*English*]

Hon. Paul Hellyer (Minister of Transport): The answer is no, Mr. Speaker.

EXTERNAL AFFAIRS

VISIT TO CANADA OF PRESIDENT NIXON AND PRIME MINISTER WILSON

Hon. J. A. MacLean (Malpeque): I would like to address a question to the Prime Minister. In view of the forthcoming visit of President Nixon to Europe, for the purpose of consultations with members of the Atlantic alliance, and in view of the wide range of subjects of mutual interest to Canada and the United States, will the Prime Minister say whether discussions are under way with a view to arranging an early visit by the President to Canada?

Right Hon. P.-E. Trudeau (Prime Minister): The subject has been raised, Mr. Speaker, between the government of the United States and the Canadian government, but there is nothing precise to report.

Mr. MacLean: A supplementary question. In view of reports that Prime Minister Wilson of the United Kingdom may be visiting Washington, will the Prime Minister say whether the government is considering extending an invitation to visit Canada during his trip to North America?

Mr. Trudeau: Yes, Mr. Speaker. I am considering that and, depending on the dates and on the eventuality of the trip itself, it would be something that would lead me hopefully to arrange a visit to Canada by Prime Minister Wilson, either at that time or at some other time.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. If the Prime Minister does in fact arrange discussions with the President of the United States regarding Canada's position in respect to NATO, will the Postmaster General and the Minister of National Defence accompany the Prime Minister, so that Canada's position can be placed before the President in all its clarity and simplicity?

DRUGS

LEGISLATION TO PROVIDE REPAYMENT OF OVERCHARGES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. I put it to the right hon. gentleman because I believe it concerns a matter of government policy. In view of reports that a number of drug firms in the United States are making payments of $120 million to cover overcharges that had resulted in excess profits, is the government of Canada studying this matter and considering any legislation that may be necessary, so that any similar overcharges in Canada might be repaid?

Right Hon. P.-E. Trudeau (Prime Minister): I will take the question as notice, Mr. Speaker. I will read it in *Hansard*.

THE SENATE

CONSULTATION WITH SENATORS RESPECTING REFORM MEASURES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister in connection with the projected suggestions of Senate reform, which we have had ever since the days of Mackenzie King.

Mr. McIlraith: He left before doing that.

Mr. Diefenbaker: He did make a reform. He substituted live Grits for dead Tories. I ask the Prime Minister whether or not, in view of the massive nature of the changes, there has been any consultation with members of the Senate, and in particular whether

government supporters in the Senate were consulted before this course was entered into? Secondly, has he any means whereby such changes could be made or brought about constitutionally without the consent of the Senate?

Right Hon. P.-E. Trudeau (Prime Minister): In reply to the first question, Mr. Speaker, there has been consultation on the constitutional question on several occasions in caucus and caucus committees. We have discussed the future of the constitution, and all the subjects that were raised as a result of last February's federal-provincial conference.

I was not, of course, in a position to spell out in detail to caucus what propositions we were making, because they were considered confidential, but the caucus was encouraged to discuss all aspects of federal institutions, including the Senate, and the subject was discussed. There were many senators present at the time as they always come to our caucus meetings.

On the second question, Mr. Speaker, this is a legal opinion for which I am being asked, but I would say that I see no desirability of proceeding with such a reform of the Senate without ample consultation with the Senate, and without giving the Senate a chance to express its views on the subject.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, in view of the discussion that took place in the Senate yesterday afternoon, led by Senator Connolly, a former leader of the Senate, and other senators, to the effect that this was the first knowledge they had of such ideas being held by the government, what has the Prime Minister to say?

Mr. Speaker: Order, please. I would think the Prime Minister should say what he feels should be said in this regard on another occasion, rather than in an answer to a question at this time.

[*Translation*]

DOMINION-PROVINCIAL CONFERENCE

SEATING ACCOMMODATION FOR CERTAIN MEMBERS

Mr. Gérard Laniel (Beauharnois): Mr. Speaker, I should like to put a question to the Prime Minister.

Could he tell us whether apart from the seats allocated to hon. members, proportionally to their party representation, to attend the federal-provincial conference, there will be seats for other members not chosen to be part of the official delegations of observers?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, there will be no other seats in the room itself, since all available ones have been, as mentioned by the hon. member, allocated among the various parties. But in an adjoining room, a closed television circuit will enable the members of all parties to follow the conference in all its details. It will be, I think, room 371 in the West Block.

[*English*]

ROYAL FAMILY

CANCELLATION OF SALUTE TO QUEEN MOTHER

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of the universal affection with which the Queen Mother is held in this country, will not the government reconsider its decision to cancel the honour accorded her of a 21 gun salute on the occasion of her birthday?

Mr. Diefenbaker: Is this part of the just society?

Mr. Speaker: While the question is being considered the Chair will recognize the hon. member for Qu'Appelle-Moose Mountain.

[*Later:*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address a supplementary question to the Prime Minister based on the question asked a few minutes ago by the hon. member for Palliser. His question was based on a Canadian Press dispatch which stated that in response to a cabinet order—

Mr. Speaker: Order, please. The hon. member knows very well that he has to ask the question directly. If he wants to ask a supplementary question he should do so without quoting a newspaper story or report, on which his question is based.

Mr. Hees: Mr. Speaker, with great respect, the Prime Minister was unaware of this important situation and I was explaining it to him. Let me rephrase my question. In view of the cabinet order issued last Friday cancelling the royal salute on the anniversary of the coronation, the birthday of Prince Philip, the

birthday of the Queen Mother and on two other royal birthdays, and in view of the affection, especially for the Queen mother, in this country, will he ascertain whether that order can be rescinded?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, we in this government believe that we should express our affection otherwise than by shooting guns.

Some hon. Members: Oh, oh.

Mr. Hellyer: That shot you down, George.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I should like to ask the Prime Minister whether the government hopes by this tremendous savings to recoup the losses in respect of the *Bonaventure*?

Mr. Speaker: Order, please.

GRAIN

REQUEST FOR FINAL PAYMENT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In light of the very stringent economic situation now existing in respect of western agriculture, can the minister say when the Canadian Wheat Board will announce the final payments on wheat, oats and barley for the last crop year.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I have already given the dates and have said that the cheques would be received about the 10th day of April or about that time.

Mr. Southam: In view of the serious economic situation, would the minister ask the officials of the Canadian Wheat Board to get the cheques out a little earlier.

INDUSTRY

DEVCO—PRE-RETIREMENT PROGRAM FOR MINERS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Forestry and Rural Development who reports for the Cape Breton Development Corporation. In his absence possibly the question might be taken as notice by the acting minister or the parliamentary secretary. Would the minister be in a position to advise when the pre-retirement program for Cape Breton miners proposed by Devco will go into effect and, if not, can he give assurance that due and timely notice will be given the coal miners who are affected, so that they can prepare for the future.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): I will bring this to the minister's attention.

RESEARCH

AVAILABILITY OF REVIEW OF GOVERNMENT PROGRAM

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister without Portfolio from Saskatoon-Humboldt. A few days ago I asked him if he had completed his review of the government's policy in respect of scientific research. He seemed to be a little bewildered about the question.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I am delighted by the hon. member's continued interest in my extracurricular reading and I would be glad to discuss it with him, both fiction and non-fiction, outside the house at any time.

Some hon. Members: Hear, hear.

Mr. Broadbent: I would like to thank hon. members for their applause but I am not at all sure I share the same—

Mr. Speaker: Order, please. If the hon. member has a question he should ask it without making a speech.

Mr. Broadbent: Thank you, Mr. Speaker. I think this is a very serious matter—

Mr. Speaker: Order, please. The hon. member for Don Valley.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Speaker: Order, please.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Prime Minister, and is supplementary to the one asked earlier by the hon. member for Oshawa-Whitby. Can the Prime Minister say whether he has assigned to any cabinet minister responsibility for the review of the government's scientific policy and if so to which minister.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The committee which has been mentioned is an interdepartmental committee under the chairmanship of the Department of Industry, Trade and Commerce. This committee has undertaken a

review of government programs for the support of research, development and innovation in Canadian manufacturing industry. I think this clarifies the situation.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in view of the statement of the Secretary of the Treasury Board to the Senate committee yesterday, that Canadian science policy is an accidental byproduct of separate cabinet decisions, can the minister indicate when the house might expect a statement from the government about priorities in respect of scientific policy?

Mr. Pepin: With respect, Mr. Speaker, when we debate the reorganization bill there will be an opportunity to bring this question to the floor of the house.

HATE LITERATURE

DISSEMINATION OF PRE-RECORDED MESSAGES BY TELEPHONE

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I should like to direct this question to the Prime Minister. Is the government taking any steps to prevent the use of telephones for the dissemination of pre-recorded hate messages which are now being transmitted in the city of Toronto and which are causing concern to may people there?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I have just heard of this this morning. I cannot tell the hon. member of any concrete steps in this place, but I would remind members of the house that the government has introduced in the Senate a bill on hate propaganda, with the intent of curtailing all forms of communication which are not legitimate debate, and which are aimed at disseminating hate against groups in Canada.

Mr. David Orlikow (Winnipeg North): Could the Prime Minister give the house any indication when the proposal will be brought before this house?

Mr. Trudeau: I cannot of course predict what will happen in the other place. It will be brought before this House as soon as the Senate finishes considering it.

Mr. Orlikow: In view of the fact that it is obvious some senators are not enthused about the proposed legislation, is the Prime Minister discussing with the Senate house leader the possibility of hurrying it up?

Mr. Speaker: Order, please.

Inquiries of the Ministry

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

PARTICIPATION IN PROGRAM BY MARITIME PROVINCES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question which I suppose I should direct to the Minister of Finance. Will the minister assure the house that in spite of the apparent cancellation, retardation or postponement of various development projects in the Atlantic provinces, along with the apparent abandonment of the Atlantic Development Board, it is not the purpose of his colleagues to drive the Atlantic provinces out of Confederation in time for them to qualify for some of the $20 million increase provided for the Canadian international development agency in the next fiscal year?

Mr. Speaker: Order, please.

POWER

NELSON RIVER, MAN.—RE-NEGOTIATION OF AGREEMENT

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I should like to direct my question to the Minister without Portfolio who is responsible for the Department of Energy, Mines and Resources. Is there any feature of the agreement signed in 1966 by the federal government and the government of Manitoba concerning power development of the Nelson river that precludes re-negotiation of its terms in whole or in part?

Mr. Speaker: I am sure the hon. member realizes that he is asking the minister to make a legal interpretation of an agreement. A question in those terms cannot be asked at this time.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder whether I may ask a supplementary question, or perhaps try to rephrase the question the hon. member for Winnipeg South Centre put to the Acting Minister of Energy, Mines and Resources. May I put it this way: Is the federal government willing to renegotiate the agreement with the government of Manitoba regarding the power developments in the north, particularly as they affect the Indians South of Indian Lake?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): I will check into the matter, Mr. Speaker, but so far as I know the question is hypothetical; I do not know of any approach from the government of Manitoba requesting a renegotiation.

Inquiries of the Ministry

LEGAL AID TO INDIAN FAMILIES AFFECTED BY EXPROPRIATION

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Since, according to the reply of the Acting Minister of Energy, Mines and Resources, the government of the province of Manitoba has not asked for any renegotiation of the Nelson river power development, is the minister's department providing, or does it intend to provide, legal counsel or legal aid to those Indian families affected by Manitoba Hydro expropriation procedures?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the question was put to me a few days ago, and I answered that the government of Manitoba had given the people concerned financial assistance for legal advice, in order to find a solution to the problem.

[*English*]

Mr. Schreyer: A supplementary question, Mr. Speaker. Since the government of Manitoba is the expropriating authority in this case, does not the minister think that the federal government should be providing legal counsel for these people?

Mr. Speaker: Order, please. The question as asked is argumentative.

AIR TRANSPORT

RATE ON NORDAIR SERVICE TO HALLBEACH

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I should like to ask the Minister of Transport whether the Canadian Transport Commission recently approved a 73 per cent rate increase for services provided by Nordair to Hallbeach in the Northwest Territories?

Mr. Speaker: May I suggest to the hon. member that this question should be placed on the order paper.

EXTERNAL AFFAIRS

INQUIRY AS TO COMPLETION OF REVIEW

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask the Prime Minister whether he can indicate at this time when it is expected that the review of Canada's external affairs policy will be concluded? Does he expect it will be concluded during the current year?

[Mr. Lang (Saskatoon-Humbolt).]

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker, I expect it will be concluded during the current year. Of course the review has been advanced in some parts more than in others. There are some decisions we have already taken—the decision concerning China, the first steps concerning the Vatican and our trip to South America. Those were all parts of the review. Certain stages have been reached in various parts of this review, but the bulk of it will be announced later this year.

HOUSING

REMOVAL OF TAX ON BUILDING MATERIALS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Transport. Does the minister intend to withdraw his recommendation to abolish the 11 per cent sales tax on building materials, in view of the statement made in the house last night by the Parliamentary Secretary to the Minister of Finance?

Mr. Speaker: Order, please. I would think the question as asked is argumentative and should not be accepted at this time.

REQUEST FOR RECOMMENDATIONS FOLLOWING REPORT OF TASK FORCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Transport whether it is his intention to make to the government a package recommendation of a comprehensive nature with regard to housing, or whether it is his intention to give priority to certain aspects of this matter. I ask the question particularly in view of the reported shortage of mortgage money in the month of January and the continuing escalation of interest rates relating to mortgage money for housing.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, my hon. friend will know that it is not customary to indicate what will be included in recommendations to cabinet; but I think it would be fair to tell him that the matters I am most interested in are those which I feel have the greatest urgency and which should be acted upon within a matter of weeks, or months at most. These are the things which will be given the greatest priority.

TORONTO—OFFICIALS TO COME TO OTTAWA FOR DISCUSSION

Mr. John Gilbert (Broadview): A supplementary question, Mr. Speaker, directed to

the Minister of Transport. In view of the fact that officials of the city of Toronto have referred to the recommendations of the task force on public housing and urban renewal as "disastrous" and the social planning council of Toronto called them "kindergarten arithmetic", is it the intention of the minister—

Mr. Speaker: Order, please. The hon. member should ask a question.

Mr. Gilbert: —is it the intention of the minister to call to Ottawa these officials to discuss the recommendations with him?

Mr. Hellyer: Mr. Speaker, I would first like to recommend to them that they do the kind of research which is necessary in order to evaluate some of the projects presently in place. After they have done that, we can have a discussion as to how we can provide the best accommodation for people of low incomes, the best value economically, but more important the best value in so far as sociological and psychological benefit to the people being served is concerned.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. I wonder whether the Minister of Transport thinks there is any real possibility that his recommendations on housing will be any more illuminating than his answer to my question.

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

Mr. David Orlikow (Winnipeg North): Yes, Mr. Speaker. I should like to ask the minister a supplementary question. Will plans which have been completed or almost completed by municipalities, in co-operation with Central Mortgage and Housing Corporation, with regard to urban renewal and public housing be permitted to proceed in the very near future, or is there an indefinite freeze—

Mr. Speaker: Order, please. It is my recollection that a similar question has been asked at least once in the last few days and replied to by the minister.

DRUGS

L.S.D.—INVESTIGATION BY R.C.M.P. INTO ILLEGAL IMPORTATION

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is directed to the Solicitor General. In light of the testimony given in a London, England, court hearing yesterday of a charge against Michael Wool-Lewis, is the R.C.M.P. investigating the suggestion of complicity between Canadian businessmen and United States criminal organizations to transport l.s.d. to Canada from Europe?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, it is the practice of the R.C.M.P. to co-operate quite closely with authorities in other countries in an attempt to prevent effectively the illegal importation of certain deleterious drugs and related substances into Canada. I would not want to give any detail in a particular case as to the state of investigation, unless it had come to a conclusion and there was something I could disclose properly at that time.

Mr. Schumacher: A supplementary question, Mr. Speaker. Will the Solicitor General undertake to advise the house of any other evidence of the involvement of national or international criminal organizations in the trafficking of l.s.d.?

Mr. McIlraith: I will undertake to look at the question and its implications and bring forward an answer to it.

[*Translation*]

DOMINION-PROVINCIAL CONFERENCE

ASSOCIATION OF FEDERAL AND PROVINCIAL PARLIAMENTARIANS

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I would like to ask the Prime Minister a supplementary question.

Would he take advantage of the federal-provincial conference to ascertain what are the feelings of the provincial premiers toward a possible Canadian association of federal and provincial parliamentarians, of which the main purpose would be the progress of our federalism and through which there would be a continued dialogue between the representatives themselves, in addition to that which exists at the ministerial and committee of officials level?

Right Hon. P.-E. Trudeau (Prime Minister): That idea appeals greatly to me, Mr. Speaker. I cannot promise to talk about it at the conference itself, since it is not an item on the agenda, but I shall certainly undertake to do it at the two private receptions and in private conversations I will have with the provincial premiers. I thank the hon. member for having suggested the idea.

Freshwater Fish Marketing Report

[*English*]

INCOME TAX

COLLECTION OF SOCIAL DEVELOPMENT TAX BEFORE APPROVAL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the fact that the Department of National Revenue is collecting income tax at the source which appears to be based on the inclusion of the social development tax, and in view of the fact that the bill for this tax is not yet even before us, may I ask the minister how long the government intends to collect a tax that has not been approved by parliament.

Hon. E. J. Benson (Minister of Finance): Not very long, Mr. Speaker. I hope to have it approved by parliament in the very near future.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Is the government facing the possibility that its bill might be defeated?

Mr. Benson: No, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): It was last year.

• (11:40 a.m.)

GOVERNMENT ORDERS

FISHERIES

ESTABLISHMENT OF FRESHWATER FISH MARKETING CORPORATION—REPORT STAGE

The house proceeded to the consideration of Bill C-148, to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation, as reported (with an amendment) from the Standing Committee on Fisheries and Forestry.

Mr. Lloyd R. Crouse (South Shore) moved:

That Clause 3 (1) be amended by placing a semicolon after the word "province", on line 14 and by substituting a comma for a period after the word "years" and adding thereto the following:

"and shall be actively engaged in the fresh water fishing industry as fishermen".

He said: I thought that the Minister without Portfolio may have some statement to make on the amendments proposed, but in the absence of any statement I would like to make a few comments at this time. Under the old rules, the resolution preceding the measure calling for a Freshwater Fish Marketing Corporation was debated in the house, and the bill received first reading on December 18 of last year. On January 16 the bill was again before the house and was given second reading and referred to the Standing Committee on Fisheries and Forestry.

On Tuesday, January 28 the standing committee met and a clause by clause study was given to the bill. The bill was amended and reported to the house. But I would point out that only those amendments which were made in committee by members supporting the government were accepted by the committee, even though the amendments moved by the opposition members who served on the committee were in keeping with the minister's stated intent, and were therefore basically in line with the government's policy and its program. I hope it will be possible for every member of this house to read the evidence as tabled by the Standing Committee on Fisheries and Forestry respecting Bill C-148 as it occurred on January 28. This evidence indicates the basic weakness of the committee system. It indicates the committees' lack of authority to suggest, to approve, to improve, to amend or to recommend changes in the legislation brought before us. To date, the Standing Committee on Fisheries and Forestry has served only as a rubber stamp for this government's legislation. Its hearings have been ineffective, frustrating and time consuming.

Mr. Speaker: Order, please. I have to interrupt the hon. member to remind him that according to our new rules the only matter before the house at the present time is the particular amendment proposed by the hon. member, and I doubt very much whether this should be the occasion to speak on the general procedure followed either by this or by any other committee of the house. I think the remarks which the hon. member is making now—which I am sure are important to him—might better be made at the third reading stage of the bill. If the hon. member has a protest to make, in my view it should be made when there is a general debate on the bill which, according to the new rules, should take place on third reading. I realize that some of the remarks he has made until now are introductory in nature and I assume that in due course, and perhaps very soon, he will submit to the house his views in connection with the amendment he proposed.

Mr. Crouse: Mr. Speaker, I was endeavouring to explain just why it was necessary, as a result of conditions which existed in the committee, to bring the amendment before the house at the present time. I would not wish my words to be construed as a reflection on the chairman of the committee, for the evidence will show that he has been fair and impartial. The doubts which I mentioned expressed my concern about the over-all effectiveness of the entire committee system.

When the rules were changed, the members of the house and the Canadian people were led to believe that more authority would be placed in the hands of the committees. They were to serve as a sounding board for legislation, in the hope that out of our deliberations would come changes and improvements which would be helpful. This was my understanding. The function of the committees was to speed up the legislative process, so that the time spent in committee would not have to be spent again in the house. This may have been all right in theory, but in actual practice it is not working out according to plan. We must still come to the house with our amendments, suggestions and recommendations for improvement in the legislation, in the hope that the government will take our recommendations seriously.

It is for these reasons that I have filed notice, pursuant to standing order 75 (5), that Bill C-148, an act to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation be amended by these three amendments:

That Clause 3 (1) be amended by placing a semicolon after the word "province", on line 14 and by substituting a comma for a period after the word "years" and adding thereto the following:

"and shall be actively engaged in the fresh water fishing industry as fishermen".

That Clause 18 (1) be amended by striking out the word "may" in the first line thereof and substituting therefor the word "shall" and by adding after the word "Committee" in the last line thereof the following:

"and at least one-third of whom shall be actively engaged in the fresh water fishing industry as fishermen".

That Clause 17 be amended by adding thereto a new sub-clause (3) as follows:

"The accounts and financial transactions of the corporation shall be audited annually by the Auditor General".

I wish to make it very clear that we in this party are not opposing the legislation. During the various discussion stages of the bill we made certain recommendations which we thought would be helpful, but at no time have we registered direct opposition to the measure now before us. We are hopeful that some of the many problems faced by our inland fishermen will be resolved by the marketing corporation, and that the major goal of the corporation, which is to obtain a larger share of the export price and of the consumer price for the fishermen, will be realized. To date the Canadian inland fishermen, when selling their fish, have been in a relatively weak bargaining position, and if they did not like the prices offered for their fish all they could do was to threaten to quit. But this would have been an empty threat, for in many instances the fishermen have no other training and there are no other employment opportunities available to them. I am informed that this is especially true in the northern parts of Saskatchewan, in Manitoba, Alberta and in northern Ontario where the fishermen are mostly Indians and Métis.

The very remoteness of these fish producing areas has presented vast problems to this particular industry, and in my opinion this factor will continue to present a very thorny problem to the marketing corporation, which it will require all the ingenuity, imagination and resourcefulness of the president and his associates to surmount. According to the McIvor Commission report—a commission appointed in July of 1965 to bring in recommendations on this important industry—the fishermen in our inland freshwater fishing industry receive only some 50 to 60 per cent of the export price. It is the major task and responsibility of this marketing corporation to increase the percentage of return to our fishermen, otherwise this whole exercise—

Mr. Speaker: Order, please. I must confess to the hon. member that it is not clear to me in what way what he is saying now relates to the amendment before the housing. As I see it, the amendment: "and shall be actively engaged in the fresh water fishing industry as fishermen" should be the subject of a limited debate in the house. The hon. member knows that there has already been a general debate on second reading and there will be another debate on third reading. If the rules are to be interpreted in such a way that there may be a third general debate at the report stage, I would think we will be heading into difficulty in the interpretation of the rules. So I invite the hon. member to limit his remarks within reason to the particular amendment now before the house.

Freshwater Fish Marketing Report

• (11:50 a.m.)

Mr. Crouse: Mr. Speaker, I am endeavouring to do just that. I appreciate your comments and I shall try to relate my remarks to the amendment. It is my understanding that the government of Canada is setting up this marketing board, in co-operation with the provinces concerned, in order to assist the fishermen in the marketing of their products so that they received a better price. In my opinion, if this board is to meet with any measure of success, it will require the complete co-operation of all the fishermen concerned.

This is a statement of fact borne out by events in every other industry. If I may give an example, at the present time there is a slowdown in mail deliveries in the Post Office Department. When labour is unhappy over wages or terms of employment it goes on strike, and we see a complete shutdown of the particular industry.

For these reasons we believe that the inland fishermen must be guaranteed a place on the board of directors of this marketing corporation as well as on the advisory board of the corporation. There is no provision in the bill to guarantee that the fishermen will be represented on the board. In our view one way to make sure that the fishermen will be behind the board is to guarantee their representation on the board. After all, if things do not go according to plan it will be fishermen themselves who will be the most seriously affected.

These are not my views alone; they were endorsed by the Minister without Portfolio when he spoke before the Committee on Fisheries and Forestry on January 28. At one point he said that he is fully on record in the house a number of times as indicating there should be adequate representation from the fishermen's groups on the advisory committee. Even the McIvor Commission report recommends that the membership of the board provide adequate representation of regional interests. I submit that one can rightly interpret regional interests in this matter to be directly applicable to the fishermen concerned. For these reasons I hope that the government will give favourable consideration to our amendments concerning actual representation of fishermen on the board of directors, and on the advisory board of this corporation.

Finally, I wish to refer to the financial control of the corporation. Clause 15 of this bill provides that the corporation is to be a corporation within the meaning of the Financial Administration Act. Clause 16 provides that the Minister of Finance (Mr. Benson) may make grants to the corporation up to $100,000 for initial operating and establishing expenses, while under clause 17 the governor in council may guarantee and make loans to the corporation up to $5 million. There is nothing in the bill—

[Mr. Speaker.]

Mr. Speaker: Order, please. It has been brought to my attention that the hon. member may be referring at this time to the second or third amendment, although I am not too sure whether that is the fact. I would remind him that we should discuss the first amendment, so perhaps he would make his comments on the second and third amendments when they are reached, I hope later on today.

Mr. Crouse: Thank you, Mr. Speaker. In view of your ruling, having placed my case before the minister for the appointment of fishermen to the board of directors and to the advisory board, I will have further comments to make on the third amendment after we dispose of the first two.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I shall try to confine my remarks to the substance of the amendment before us. I think the amendment is rather important, though I must confess, as it is written and as I try to relate it to the rest of clause 3, it is rather difficult to understand it clearly. Nevertheless, as I say, I believe it to be an important amendment, because if there is to be established a board of directors for this Freshwater Fish Marketing Corporation, I think it is essential and certainly worth while that at least some members of the board of directors be actively engaged in the industry itself.

As I construe the intent of the amendment moved by the previous speaker, the hon. member for South Shore (Mr. Crouse), it would seem that he is proposing in the amendment that of the members of the board of directors, which consists of nine persons, four be appointed from among those who are actually fishermen. If that is the intent of the hon. member's amendment, I think it ought to be supported.

On the other hand, if he is going beyond that and suggesting that a majority of the members, or that every member except the chairman or president of the board be chosen from those engaged in fishing, then it would seem to me a rather impractical proposition. Therefore I will proceed on the assumption that the hon. member is suggesting that three

or four members of the board of directors be selected from among those who are actively engaged in the industry as fishermen, and I would support the amendment on that basis.

I also think it is important that there at least be some representation of those engaged as fishermen on the board of directors, inasmuch as the board will, in a sense, be operating with and spending money that is really the fishermen's money. I understand that there will perhaps be an establishment grant in the order of $100,000 paid by the federal government and each of the three provinces, which will be contributing on a prorated basis, such as $50,000 federal and $25,000 from each of the three provinces, or some proportion of that sort.

Once the $100,000 establishment grant from the federal and provincial governments has been received, all of the operating expense of the Freshwater Fish Marketing Board will come out of the proceeds of the corporation's operations, which in turn will be derived from the production of the fishermen themselves. Therefore, if the money of these fishermen is going to be spent in operating the board and paying its administrative costs and salaries, it seems only logical that the fishermen be granted some direct say at the board of directors level.

The minister may well reply that provision is made later on in the bill, in clause 18 or so, to enable the minister to establish an advisory board consisting of 14 or 15 persons. It may well be that the minister may want to select five, six, seven or eight of the 15 members of this advisory board from among those who are actually engaged in fishing. But it is interesting to note that there is nothing specific in the legislation that provides that the advisory board shall necessarily have fishermen-producers actually on the board. It seems to me that the minister would want to agree that the legislation should make some specific provision to include fishermen on the advisory board.

It may be that there will be a number of fishermen on the advisory board but I would insist that there be at least 2, 3 or 4, some small number such as that—I would not want to go beyond that figure for practical reasons—on the membership of the board of directors itself. I do not know what arguments the minister would advance in opposition to this amendment, but we shall soon find out.

• (12 noon)

I have also one further argument to advance in support of the contention that there be some fishermen among the membership of the board of directors. There is a tendency, human nature being what it is, for boards or administrative bodies to start making free with other people's money. We can see how that has happened with the Canadian Wheat Board. One can see it happening with boards of directors of private corporations. Once set up boards of directors or similar administrative bodies establish themselves in lavishly furnished headquarter offices and they do not stint on the trappings that go with administrative offices. I feel that such a tendency toward extravagance would be curtailed if on the board to be set up one or two actual producers or fishermen were included. Their presence on the board might restrain any tendency toward extravagance by other board members. I think this is a concrete argument, and I believe there should be provision in this bill for the inclusion of two or three producers or fishermen on the board to be set up.

I will say no more, Mr. Speaker, because I am interested to hear the remarks of the Minister without Portfolio. I hope he will support the amendment.

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker—

Mr. Lundrigan: Mr. Speaker, if the minister rises now will he terminate debate?

Mr. Speaker: The hon. member is referring, of course, to a substantive motion moved by a minister on second reading or third reading. What is before the house at the moment is an amendment moved by an hon. member. Therefore the participation of the minister will not close debate.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, the amendment before us was raised in committee and the committee decided, in its wisdom, against allowing it. I had the opportunity of commenting to the committee about the amendment, and I wish to say that our position at this time remains the same. The amendment is an undesirable one. The purposes of the corporation are of a commercial nature. Marketing is to be the corporation's prime objective. The possibility exists that the corporation may engage in many different facets of the fishing industry. It is therefore important that the men appointed to be directors should be chosen

from the ranks of those who have had experience in operations of commerce. It is important for the participating provincial governments, which will appoint five of the directors, and for the federal government to have as much freedom of action as possible in appointing at any time persons most suited to undertake the work of directors. That freedom of action would be destroyed if the amendment were to carry. I am therefore opposed to the amendment.

I find difficulty in interpreting the words of the proposed amendment. Is it intended to exclude men who have recently been active fishermen but are not now engaged actively in fishing? If the amendment were to carry it would make much more difficult the appointment to the board of men qualified to handle the business of the corporation. The corporation is to be set up on the lines of a commercial venture and it is designed to serve the best interest of the fishermen themselves. I might add that I have had difficulty in finding line 14 of the clause referred to in the amendment. I presume line 6 is the line intended to be referred to.

Mr. Crouse: No. It is line 14 on the page if one begins counting at the top of the page.

Mr. Lang (Saskatoon-Humboldt): I thank the hon. member for his explanation. We wish to be flexible in our choice of prospective directors. If the amendment were to carry we should lose that flexibility and eliminate the possibility of choosing exactly the right directors for the job. It is important for our fishermen that the board function adequately.

Mr. John Lundrigan (Gander-Twillingate): It is important for hon. members to understand, Mr. Speaker, that under the legislation responsibility for fish marketing is to pass from the private sector of our community to a corporate body set up by various governments. The amendment provides that on the body to be set up there shall be fishermen representative of Canada. Fishermen from various parts of Canada will be asked to serve on the board.

As the hon. member for South Shore (Mr. Crouse) indicated, the amendment before the house was one of the amendments moved in committee. It did not pass in committee. I will not take up the time of the house by explaining in detail what happened in committee; it is enough for me to say that if hon. members read the committee proceedings they will see how totally inadequate is our present committee stage in the legislative process.

The proposed amendment seeks to make certain that active fishermen are appointed to the board. The Minister without Portfolio (Mr. Lang) said, "Oh, you can take my word for it. On this corporate body there will be representatives of fishermen. I give you my guarantee that this will be so." We wanted a commitment of this kind from the minister so that the fishermen of Ontario, the prairie provinces and other parts of Canada would know they are going to be represented on the corporate body. As I say, the minister gave his word, or we interpreted his remarks to mean that he had given his word. In view of that commitment we thought the minister would support the amendment that has been moved. Unfortunately, in the discussions before the committee on this point we learned that the government does not intend to appoint fishermen to the board. We learned that they want on this corporate body people who are experts in marketing, in commercial aspects of fisheries, in finance, negotiations and so on. Although he had given his word, the minister turned around and argued that there was a need to appoint experts to the board and that fishermen might not be able to fulfil the requirements.

Another point which was raised by the hon. member for Winnipeg South Centre (Mr. Osler) was that fishermen were not well enough educated to occupy positions on the board. That remark left me thunderstruck. I was really taken by surprise.

Mr. Osler: Mr. Speaker, may I rise on a question of privilege?

Mr. Speaker: Before I hear the hon. member on a question of privilege I must warn the hon. member who now has the floor that he cannot review in the house the debate that took place in committee. This would further complicate matters. It is elementary to the rules of this house that we cannot have a duplication here of proceedings which took place in committee. Having said this, I will allow the hon. member to state his question of privilege.

• (12:10 p.m.)

Mr. Osler: Thank you, Mr. Speaker. It is very difficult to present correctly something out of context. I think the point at issue at the moment is the definition of a licensed fisherman. It would be possible for a group of semi-literate fishermen in a far away community to fall into the hands of unscrupulous

representatives who had taken a licence. I was in no way reflecting on the intelligence of the fishermen.

Mr. Speaker: I suggest to the hon. member this is not a question of privilege but a point of debate, and he will have the opportunity to take part in the debate later if he so wishes.

Mr. Baldwin: On the point of order Your Honour raised in regard to the question of the debate in the committee, I do not think this is the time to debate the point of order involved in the ruling by Your Honour. I think your point of view is quite correct, but I would point out that one of the possibilities envisaged at the time the new rules were introduced and debated in the house was that on the report stage an amendment might be moved by reason of certain discussions and statements made in the standing committee. In other words, an amendment such as the house is now considering may have to be based upon certain aspects of the proceedings in the standing committee. The direct point Your Honour made is of course quite acceptable, but we hope it will not rule out the possibility for a member of this house, in moving an amendment at the report stage, to base his support for the amendment on certain facts disclosed in the standing committee.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I join with the hon. member for Peace River in asking Your Honour to study this matter in the event it arises again, as I am sure it will. An amendment moved and defeated in the standing committee can be moved at the report stage; surely that should carry with it the right to put forward the same arguments here in the house. I recognize Your Honour's view that we should not revive debate on extraneous matters, but in the old days bills went to the standing committee and then came back to Committee of the Whole. It was a very common practice to read evidence from the minutes of proceedings and evidence in an attempt to win a point in the house which had been made and perhaps lost in the standing committee.

I think the general proposition which Your Honour is making is valid. Debate should not be revived, but I would hope this would not rule out the right to read evidence in the house from the minutes of proceedings and evidence, when necessary, to support an argument. Your Honour is perfectly right in trying to keep us to the subject matter of the proposed amendments, but surely arguments related to those amendments should be in order.

Mr. Lundrigan: I would like to say, Mr. Speaker, that both hon. gentlemen took the words right out out of my mouth on that last point. I think it is in order for me to make reference to the point about the level of education of fishermen. So as not to misquote the hon. member for Winnipeg South Centre I will quote from page 218, report No. 11 of the Standing Committee on Fisheries and Forestry:

> I am not a specialist in fishing, but as a tourist going to the fishing areas I see the quality of education of many of these people and I submit that there would be a danger in stipulating exactly how many people had to be on the advisory committee—

This was an indication by him that there was a lack of education and this was his argument against utilizing people in an advisory capacity from the fishing sector of the population. I am sure all hon. members who are interested in the welfare of the fishermen of Canada are in favour of this amendment. It is a refutation of the argument of expertise presented by the minister and other hon. members.

On page 4 of Bill C-148 there is an indication of the purposes and powers of the proposed corporate body, which go far beyond the level of expertise that would indicate that the people in question would have to be marketing experts and financiers. The terms of reference of the corporation include everything from taking the fish from the fisherman's boat to putting it on the plates of the consumer. This is the whole gambit of the fishing operation. The only thing in which the corporation is not involved is the actual catching of the fish. Clause 7(a) states that the purpose of the corporation is to:

> —buy fish and dress, fillet, freeze, package or otherwise prepare fish for market;

This is an indication of a process which is a far cry from the type of expertise which the minister indicated in his argument. Clause 7(b) states:

> —buy, manufacture or produce fish products and fish by-products and package or otherwise prepare fish products and fish by-products for market;

All eight subclauses of clause 7 indicate that the purposes of the corporation takes in the whole gambit of the fishing operation. My contention is that fishermen occupy a very important segment of the total fishing operation in that they are the people who are expert in the actual catching of the product and bringing it to the point of departure for

market. I contend this is the most important sector.

One of the biggest problems in the fishing industry in Canada is the fact we have not taken the advice of people expert in certain aspects of the fishing operation, people whose livelihood depends on it. Hon. members from the Atlantic region have seen indications of government officials going to fishing communities and having break-waters constructed without regard to the benefits to be derived from these structures by the people who will use them. These programs have not been based on a knowledge of the industry and have been set up without ascertaining what is necessary.

Finally, Mr. Speaker, practically every person engaged in the total fishing operation will in one way or another play an active role in the corporation. I think the intent of the government is to have the fishermen now involved in the trade become employees of the corporation. There will be tradesmen, financiers and marketing experts on the board. The only people completely left out are the people for whom this legislation is designed, the fishermen of Canada.

• (12:20 p.m.)

I know that hon. members have been chit-chatting back and forth ever since I began my remarks. If I had the privilege I would like to point out exactly what took place in the standing committee, but I know that to do so would take up the time of the house. I could show exactly the kind of flimsy arguments that were advanced by the minister and some of his colleagues against having fishermen on the board. We challenge the minister to present us with any indication of a sound argument against having these people on the board. He has said that we can take his word for it that the government is interested in the fishermen and in hearing their views. We ask him to give us proof of that in this legislation by accepting the amendment. We will then be happy with the minister's word.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I wish to add a few words of support to the argument in favour of the amendment. This amendment, if accepted, will ensure representation of the fishermen on the board of directors. It is a straightforward matter. The fishermen will have to co-operate with this new board and unless they do so the board will not function properly. The way to get it to function properly is to have fishermen appointed to it.

When the minister introduced the bill, and again during the deliberations of the standing committee, he guaranteed that fishermen would be represented on the board. If there is such a guarantee why can we not put it down in writing? I think the government is convinced that there is no fisherman capable of handling the job. I am convinced the government is not serious when the minister says he can guarantee that fishermen will be on the board. A moment ago he said this was an undesirable amendment. Is it undesirable to have fishermen represented on the board?

Mr. Lang (Saskatoon-Humboldt): On a point of privilege, Mr. Speaker, I would like the record to show that the hon. member is referring to a conversation in the committee. The commitment we discussed in the standing committee was in relation to the advisory committee and not in relation to the board which the hon. member is now talking about.

Mr. Comeau: I accept the minister's excuse but I point out that when we introduced a similar amendment with respect to the advisory committee the same arguments were advanced against it. I submit that the minister has no real excuse for not accepting this amendment other than that the government and its members on the standing committee do not want to accept any reasonable amendment brought forward by the opposition.

I hope hon. members will have read the evidence printed in the 11th volume of the proceedings of the Standing Committee on Fisheries and Forestry before voting on the amendment. It was very obvious in the standing committee, and it is again very obvious today, that the government does not want to ensure that fishermen will be represented. I honestly feel it will be a mistake not to accept this amendment.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I am not quite certain that I would like to be tied to the specifics of the amendment but it seems strange that the legislation does not guarantee that some of the persons who produce the particular product involved, in this case fish, will be represented on the board. If for some reason the country found it necessary to socialize the services of lawyers and if a board were formed to look after the payment of lawyers and the act establishing the board did not provide for lawyers to be represented on it,

I think the Minister without Portfolio (Mr. Lang) would find it very strange indeed.

Mr. Lang (Saskatoon-Humboldt): There might not be any lawyers left.

Mr. Thomson (Battleford-Kindersley): I would ask the minister to consider the matter in that light. I am a primary producer and I know that a similar matter has been a bone of contention with farmers for some time past. When a man is involved in an area of primary production for a lifetime or half a lifetime he picks up an education that an expert on marketing may miss.

As another illustration I cite the discussion we had in the house the other day on the appointment of a transport controller to expedite the movement of grain. A practical producer on the government side of the house and practical producers on this side of the house suggested that something like this should be done. But the Minister without Portfolio, who had not been involved in this matter, and the Minister of Industry, Trade and Commerce (Mr. Pepin) said it should not be done. It does not seem rational.

If the Minister without Portfolio would introduce an amendment guaranteeing fishermen the right to representation on the board I might withdraw my support for the present amendment, but if he is not going to write into the legislation that the producers of this product shall be represented on the board and if he is not willing to recognize the fact that producers of this product have a right to such representation, then I question his good judgment and the good judgment of the government. It is a reflection on the fishermen that they should not have a right to representation on the board. It is the ultimate insult for these people not to be represented. For this reason I support the amendment.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I wish to speak against the amendment. The purpose of this board is to market fish. The object of setting it up is to improve the position of the fishermen by making, we hope, better and more successful efforts to market fish. We know full well that our fishermen are successful in catching fish because if they were not we would not have the problem of marketing and selling we are facing now. Therefore we need the best possible people on this board to do the job for which we are setting it up, which is to market fish.

So far as the proposal that all four of the federal appointees should be actively engaged in fishing is concerned—I think this is what the amendment seeks—this obviously would not serve the purpose which we are attempting to serve with this bill. The federal government will have only these four appointees on the board. To provide that they should all come from a particular profession which is not essentially the profession that can best help the board, in other words, the fishing rather than the marketing profession, would be a negative and retrogressive step. Quite clearly, if we want this board to function properly and want to be successful in selling fish we must make sure the best possible group of people are on the board.

• (12:30 p.m.)

The minister has assured the house that an active fisherman or fishermen will certainly be appointed to the board. But to restrict him entirely to members of this profession would be a mistake. Members of this profession certainly could add a great deal to the deliberations of the board, and it is for this reason the Minister of Fisheries intends to appoint members of this profession to the board. But I believe it would be absurd to tie his hands and make it impossible for him to appoint a man who, for example, is expert in the field of selling freshwater fish or a man who has devoted his life to marketing. This would not serve the interests of the fishermen, it would not make this board effective, and in the long run it would probably make this legislation ineffective. I am not saying that fishermen cannot understand the problems of marketing and I am not saying that they should be kept off this board, but I am saying that in the matter of marketing we need people who are expert in that field.

Mr. Lundrigan: Mr. Speaker, may I ask the hon. member a question? Has be read in detail the terms of reference of the corporate body to be established? The terms of reference set out the power and purpose of the marketing board. The minister and the hon. member have done the same thing; they have misrepresented the purpose of the marketing board. The purpose is not only to market fish. If the hon. member will read the purpose and powers he will see that the board will be doing everything but cook the darned stuff.

Mr. Anderson: Mr. Speaker, if the hon. member wishes I could read the purpose as stated in the bill. Perhaps this would be acceptable to him, and I believe it is necessary. Had he read the bill himself he would not have to ask me to read it for him. The

hon. member asked me specifically about the purpose. Here is what is set out:

The Corporation is established for the purpose of marketing and trading—

"Marketing and trading" are the words used there.

—in fish, fish products and fish by-products in and out of Canada—

Mr. Deputy Speaker: Order, please. I would invite the hon. member to return to the specific issue before us at the moment which is the amendment.

Mr. Anderson: Thank you, Mr. Speaker. Perhaps the hon. member who has just spoken does not know, but I believe most people in this house know the purpose of the bill. Perhaps this is the reason he has made an error in his attitude toward the bill. He does not understand the purpose and therefore does not understand who should be on the board.

Mr. Deputy Speaker: Order, please. Again I would remind the hon. member that we have before us a specific amendment. I would invite him to restrict his remarks to that amendment.

Mr. Lundrigan: May I rise on a question of privilege, Mr. Speaker? I suggest it might be in order to allow the hon. member to continue because what he is saying points up the arrogant attitude some people have toward this measure.

Mr. Anderson: Mr. Speaker, I apologize for being the cause of your displeasure. I recommend to every member of the house that he read the purpose and powers which are set out on page 4. The amendment would completely tie the hands of the Minister of Fisheries in respect of appointments. If, for instance, each province decided to appoint someone to this board from the fishing industry it would then be impossible for the federal government to appoint marketing experts to the board. One can see the problem with which the minister would be faced if he did not have control over the appointments. If the provinces decided to appoint experts in fishing as opposed to experts in fish marketing, it would then fall upon the federal Minister of Fisheries to rectify the composition of the board in order to restore the balance and make sure that experts in the field of marketing were appointed to the board.

I could go into this matter at length but I believe the point is relatively simple. It destroys the arguments in respect of the need for the amendment. I shall therefore sit down, but before doing so I would urge all members to vote against this amendment.

Mr. Lundrigan: Mr. Speaker, on a question of privilege, may I say that last week the fisheries committee met for a total of five hours. Report No. 11 contains the evidence taken at that committee. A number of hon. members were on that committee, not including the hon. gentleman who just spoke. We deliberated for five hours before that committee the purpose of this legislation.

Mr. Deputy Speaker: Order, please. If the hon. member does have a point of privilege, possibly he would get to it quickly.

Mr. Lundrigan: Thank you, Mr. Speaker. It is necessary that I point out the background in order to establish the point of privilege. The hon. member said that I do not understand the purpose of the legislation. We spent five hours before the committee on that matter and the hon. member was not even present.

Mr. Deputy Speaker: Order, please. I recognize the hon. member for Lambton-Kent (Mr. McCutcheon).

Mr. Anderson: Mr. Speaker, I rise on a question of personal privilege. I was not present at the meeting of the committee on that day because I had been taken off in view of the fact that I was in my riding on the west coast. I did, however, take the opportunity to look at the evidence taken before the committee.

Mr. Deputy Speaker: Order, please. It might be in the interests of our deliberations on this bill if we heard the hon. member for Lambton-Kent.

Mr. Mac T. McCutcheon (Lambton-Kent): Thank you, Mr. Speaker. I am not sure my contribution will be that great but I appreciate the introduction. I am a little concerned about one matter. Is this a social measure or is the corporation to be a true marketing board? If it is the latter, then I feel that this amendment certainly should be welcomed by hon. members. Just because a person happens to be a fisherman, I see no reason that he should be precluded from being a member of this corporation. Indeed, I think some members from the trade definitely should be on this body. My point is that the general statement of the Minister without Portfolio (Mr. Lang) that there will be fishermen on this corporation would not mean anything in a court of

law. If he has in the back of his mind that there should be fisherfolk appointed to the corporation, then I see no reason that he should object to the addition of a couple of practical fishermen at least.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to speak very briefly on the amendment being proposed at this time. I have no hesitation in supporting the amendment 100 per cent. For many years I have said that we have too many governmental agencies on which there are no practical people. As time goes on the gap becomes wider and wider. I believe the amendment is quite in order and should be supported by members on both sides of the house because it tries to spell out the idea that we must have practical people on this body.

It has been suggested that the fishermen are capable of catching the fish but cannot be of assistance in marketing it. I am sure the hon. member who made that statement should realize, if he does not, that in every industry there are practical people who actually are doing the work in that industry. These people make themselves aware of the problems affecting their industry. I am sure the same holds true in the fishing industry as in the building industry, the transportation industry or anything else. There are some very excellent people in this industry who have as much expert knowledge in the field of marketing as any university graduate. I respectfully suggest that in this case many individuals could be named, I am sure, by members from the Atlantic provinces, who could do an excellent job in marketing.

• (12:40 p.m.)

It is not in keeping with what we know to be the facts in this country for any member to suggest that the government must have absolute authority in the making of these appointments. The minister has suggested that this amendment might limit his choice of individuals. The bill spells out very clearly how many people will be on the board of directors. I am sure there is ample scope to choose some members from among people who are experts in fishing. The four additional members, as the amendment suggests, should be actively engaged in the freshwater fishing industry as fishermen. This does not necessarily mean individuals who go out with nets and lines, but it does mean that they must be actively engaged in the industry at the time of appointment, doing exactly those things which give them knowledge of the industry with which they are concerned.

I suggest that the amendment does not attach strings to this part of the bill as the minister suggests. It spells out that there must be people on the board with practical knowledge of the industry. I do not suggest for one minute that the university graduates who invariably end up in these positions are not qualified. However, on a number of occasions in the agricultural industry we have experienced the appointment of people to particular positions who were not qualified in a practical way and could not keep track of what was taking place in the industry at a particular time.

The proposed clause 3 indicates that these individuals shall be appointed for a period not exceeding five years. This makes it very clear that the people appointed by the Governor in Council are not permanent. If they are not doing their jobs they can be removed, and I suggest that if they do not do the job they should be removed. Very often people are appointed to commissions and boards who are unable to represent the industry they are appointed to represent. Very often they continue in their positions, for reasons with which we are all familiar. I urge members on both sides of the house to accept this amendment which will not undermine in any way the authority of the minister in charge of this department.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I find it very difficult to understand why the government cannot accept this amendment, particularly in view of the fact the Minister of Fisheries (Mr. Davis), during meetings of the committee that studied this bill, gave assurance that the fishermen would be represented on the board. What happens when the minister leaves his present portfolio? Perhaps he might be moved to a portfolio more suited to his talents. We may have a new minister of fisheries who would not have the same regard for the representation of fishermen on the board. In view of the minister's attitude it is difficult to understand why the government refuses to accept this reasonable amendment which merely ensures that people who are actively engaged in the industry will have some say and influence as to how the fruits of their labour will be marketed.

The hon. member for Esquimalt-Saanich (Mr. Anderson) referred to the fact that fishermen were successful at catching fish, in fact, too successful because this board had to be created. He implied that all fishermen are good for is catching fish. I suggest to the hon. member that this is an outmoded concept.

Mr. Anderson: On a point of order, Mr. Speaker—

Mr. McGrath: I did not interrupt the hon. member when he was making his speech.

Mr. Anderson: I rise on a point of order. I appreciate that I was not interrupted by the hon. member while I was making my speech, but on the other hand I did not refer to him as he has done to me. I did not state that fishermen are incapable of doing anything else. I think they are capable of doing other things and doing them well, but I say they are extremely successful at fishing. Marketing seems to be an area in which we have not had the same success, and that is the reason for this bill.

Mr. McGrath: The hon. member did make the suggestion from which I drew that inference. He went on to refer to the amendment as a negative and retrogressive step. I suggest to you, Mr. Speaker, that the attitude of the government toward this amendment is both negative and retrogressive. This concept is no longer accepted. It is outmoded to think that fishermen are merely good at catching fish and no good for anything else. It is a shameful concept and a shameful thing for a member of the government party to suggest. This is what the government is suggesting by refusing to accept this amendment.

The hon. gentleman, in trying to defend the government's attitude, went on to say that the government has to ensure that we get the best possible people on this board. Is he suggesting that fishermen are less than the best possible people? Surely they know more about fishing than anyone else. Who would know more about the marketing of fish or the people who buy fish than those actively engaged in the industry?

I suggest that on reflection the hon. member will wish he had not said these things. If he came from the Atlantic provinces he certainly would not have said them. Perhaps he said them because he comes from the province of British Columbia where the industry is operated on a different basis. Otherwise it is difficult to understand why he would put the proposition forward that fishermen are not capable or qualified to participate in the functions or deliberations of this board.

I am becoming increasingly suspicious about the government's preoccupation with experts and computers. We saw an example of what experts can do in respect of the refitting of the *Bonaventure*. We can well do without that kind of expertise.

I regret to note that the Minister of Fisheries, the Minister without Portfolio and the Minister of Trade and Commerce (Mr. Pepin) are absent, but we are pleased to have the house leader here. Perhaps after consultation with the Minister without Portfolio, who has the responsibility of piloting this bill through, they might have a change of heart, having listened to the debate in the house and examined the report of the committee. Perhaps as reasonable men they might come to the conclusion that this is a reasonable proposition, a reasonable amendment, and that only an unreasonable government would reject it.

Mr. McCutcheon: Mr. Speaker, I should like—

Mr. Deputy Speaker: I must remind the hon. member for Lambton-Kent that he has already spoken and has the right to speak only once. Is the house ready for the question?

Some hon. Members: Agreed.

Mr. Deputy Speaker: All those in favour of the amendment please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. McGrath: On division.

Amendment (Mr. Crouse) negatived.

• (12:50 p.m.)

Mr. E. B. Osler (Winnipeg South Centre) moved:

That clause 13 be amended by adding the words "or in the immediate vicinity thereof" immediately following the word "Winnipeg".

He said: This is a terribly controversial clause, Mr. Speaker. I anticipate at least as many fireworks between the members from the east coast and those from the west coast who happen to sit on opposite sides of the house, because I know that both groups would covet the privilege of having the head office of this corporation in their own areas so they would get to know many of the fine fishermen who we are assured will be board members.

The decision was made that the head office of this corporation would be in the city of

Winnipeg. It was pointed out that the words "the city of Winnipeg" were highly restrictive in that the head office of the board would be confined to the centre core of the city. This amendment was designed in order that this would not be the case. It would amend the bill so that the metropolitan city of Winnipeg, the finest city of Canada, the heartland of the country—

Some hon. Members: Hear, hear.

Mr. Osler: —would be eligible for this head office.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, how could I keep my seat after those wonderful words about the great city of Winnipeg? Like the hon. member for Winnipeg South Centre (Mr. Osler), I represent the city of Winnipeg itself and I suppose I should therefore adopt a parochial position and say that the head office should be in the core of my city. But I think it does make sense that the head office should be located in the Winnipeg area; for example, it might even be located as far north as Selkirk. I wonder whether the hon. member for Winnipeg South Centre could ask someone on his behalf, since he has spoken, to be a little more specific as to the meaning of the words "in the immediate vicinity". What is "immediate"; what is "vicinity"? I also ask the—

Mr. Osler: Are you suspicious?

Mr. Knowles (Winnipeg North Centre): Yes. Anything that comes from that side makes me suspicious. I have been here a while.

An hon. Member: That is a mutual feeling.

Mr. Knowles (Winnipeg North Centre): Friday is a good day, is it not, Mr. Speaker? Perhaps the Minister without Portfolio (Mr. Lang) can tell us what is in mind in this respect. I realize that the amendment has been moved by a private backbencher, but it looks as though it has government support. Perhaps the minister can explain what is meant by the wording. Where does the government intend that this board shall have its head office?

Mr. Orange: Hay River.

Mr. Knowles (Winnipge North Centre): I thought "vicinity" was very wide.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, in rising following the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles) I am pleased to venture into the realm of legal interpretation for him. I am happy to say that I support this amendment, that I see it as having a good degree of wisdom, according to my interpretation of it. The clause, as it stood originally, may have read rather restrictively as including not even all of Winnipeg as we generally know it, since the words "the city of Winnipeg" may have had a technical meaning rather narrower than the general, geographic area of metropolitan Winnipeg.

It is with that interpretation that I am pleased to see this amendment which will give the board of the corporation the discretion to locate the office in that general area. I would like to assure the hon. member for Winnipeg North Centre that I see nothing in the amendment to indicate any distant move of the head office from the centre of Winnipeg.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my comments on this amendment will be very brief. I listened with interest to the words of the mover of the amendment as well as those of the hon. member for Winnipeg North Centre (Mr. Knowles). Just to show how reasonable we on this side of the house are, we have absolutely no objection to this amendment and it is our intention to support it, as we hope members on the government side will support the other two amendments that will be dealt with after lunch.

Mr. G. W. Baldwin (Peace River): Just one sentence, Mr. Speaker. I, too, will support the amendment, but I must say to the government that it really constitutes a most inadequate exchange for taking away the Air Canada facilities.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I also support the amendment in the same way as the hon. member for South Shore (Mr. Crouse). This shows our reasonableness. Our reasonableness was indicated in the committee when some of my colleagues voted against an amendment which I moved. I would like this attitude of reasonableness to be regarded as a precedent by all hon. members. Also, I would accept in principle any move on the part of the hon. member for Winnipeg South Centre (Mr. Osler) which will help offset the supercilious remarks made about the illiteracy of the fishermen.

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

Amendment (Mr. Osler) agreed to.

Mr. Knowles (Winnipeg North Centre): One o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2 p.m.

Mr. Lloyd R. Crouse (South Shore) moved:

That Clause 17 be amended by adding thereto new subclause (3) as follows:

"The accounts and financial transactions of the Corporation shall be audited annually by the Auditor General."

He said: Mr. Speaker, my comments this afternoon will be directed to Bill C-148, an act to establish the Freshwater Fish Marketing Corporation, with special reference to the financial control of the corporation.

Clause 15 of the bill, for example, provides that the corporation is to be a corporation within the meaning of the Financial Administration Act. Clause 16 provides that the Minister of Finance (Mr. Benson) may make grants to the corporation not exceeding in the aggregate $100,000 to enable the corporation to meet initial operating and establishment expenses, while under clause 17 the Governor in Council may authorize the Minister of Finance to guarantee and make loans to the corporation up to an amount which shall not exceed $5 million.

There is nothing in the bill, which I have read from cover to cover, about the books to be kept or who is responsible for the preparation of financial statements or who is responsible for auditing the accounts of the corporation. In the absence of any direction in the act, section 85 of the Financial Administration Act leaves the financial statements of the Crown corporation subject to such directions as to form as the Treasury Board may give, and states under section 77 (1) that where no provision has been made in any act for the appointment of an auditor the Governor in Council shall designate someone to serve as auditor.

I believe that the question therefore arises whether the Auditor General is to be appointed the sole auditor or a joint auditor in accordance with the recommendations made by the Public Accounts Committee in its eighth report of 1964-65. I hope that the government will agree that it would be in the best interests of parliament in its control of public funds if the Auditor General were empowered to audit the accounts of all the Crown corporations, agencies and other public bodies which are owned or controlled by the Crown and report thereon to the house.

It is for this reason, therefore, that I move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan), that the following amendment be incorporated into the act to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation:

That clause 17 be amended by adding thereto new subclause (3) as follows:

"The accounts and financial transactions of the Corporation shall be audited annually by the Auditor General."

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, it is with some regret that I rise to say that I am opposed to the amendment because I am certainly not opposed to the general sentiment and spirit of the mover of the amendment as recently expressed. Indeed, under the existing provisions of the bill, without this amendment it is a very likely possibility that the Auditor General will in fact be appointed to be the auditor of the corporation. In the absence of the amendment as now proposed, section 77 (1) of the Financial Administration Act applies and allows the Governor in Council to designate a person to audit the accounts and financial transactions of the corporation. The Auditor General is eligible to be the auditor or joint auditor. This means that the result desired by the amendment may—and I emphasize the word "may"—be accomplished under the existing bill without the amendment.

• (2:10 p.m.)

The difficulty with the amendment lies really in a double proposition. First, the government would like to have the advice of the directors of the corporation and its managers before making a final decision in regard to this matter. The other part of the proposition, and the reason for the first part, is that it is very possible, in terms of present considerations in connection with the operations of the corporation, that various commercial accountants will have to be engaged by the corporation, especially in the early phases of its operation, to deal with many parts of its operations. It may well be most desirable at that time to use similar services in connection with auditing.

Therefore it is not because of any opposition to the general spirit of the remarks of the mover but because of the desirability of flexibility that I am opposed to the amendment.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say a few words on this amendment. I support in principle what the hon. member for South Shore (Mr. Crouse) is seeking, namely, that the auditing of the accounts and transactions of this board should be carried out by the Auditor General. I hope that the word that has now come from the minister will result in that choice being made.

If the government is opposed to the amendment there is not much chance of its being carried this afternoon, so I shall have to content myself with making the plea that the choice of the government for this particular job should be the Auditor General. I recognize that auditors are auditors, that they all do a good job. But I also know that there is a difference in the kind of report that we get from the Auditor General of Canada when he does an audit compared with the kind of report that we get from private auditing firms for some of the Crown corporations or bodies that are associated with government operations.

For example, when we get a report from one of these auditing firms, what does it say? I do not have one in front of me, but I can tell hon. members fairly accurately what it says: "We have audited the accounts and we have checked all the records and are satisfied that everything is in order, sincerely yours", and then appears the name of the company. I cannot recall any report from a private firm of auditors going into the kind of detail into which the Auditor General enters when he does an audit. That is the reason I think it is better that any concern which is making use of public money in any way, even by way of a loan or on the basis of a government guarantee, should be subjected to that kind of audit.

I accept the minister's statement that he is not going to support this amendment, and therefore it is not going to carry. But I hope that when the time comes for the Governor in Council or the Treasury Board to make a decision as to who will be the auditor, the choice will be the Auditor General of Canada.

The Acting Speaker (Mr. Béchard): All those in favour of the proposed amendment please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Béchard): All those opposed to the amendment please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Béchard): In my opinion the nays have it.

Mr. Crouse: On division.

Amendment (Mr. Crouse) negatived.

Mr. Lloyd R. Crouse (South Shore) moved:

That clause 18 (1) be amended by striking out the word "may" in the first line thereof and substituting therefor the word "shall" and by adding after the word "Committee" in the last line thereof the following:

"and at least one-third of whom shall be actively engaged in the freshwater fishing industry as fishermen."

He said: Mr. Speaker, in moving this amendment my simple purpose is to ensure that the Governor in Council will appoint an advisory committee to assist the president and directors in their deliberations and advise on policy. As I stated previously, I believe that the advisory board is not going to function in a satisfactory manner unless there is representation on the board from the primary producers. There is nothing in the bill to guarantee that fishermen will be represented on this board.

In our opinion this marketing board has been proposed at the provincial and federal government levels. To date there is very little evidence to indicate the attitude of the primary producers toward this proposal. However, in order to be effective I believe that the board must have the unqualified support of all the fishermen in the vast area that is covered by this program. And it is a vast area, encompassing northern Ontario, Manitoba, Saskatchewan, Alberta and the Northwest Territories.

In my view there is no better way to encourage the fishermen to get behind the board than by guaranteeing them representation on the advisory committee. By moving to amend the advisory committee clause of the bill, which calls for not more than 15 members, we are stating our belief that at least one-third of the members of the advisory board should be fishermen. I hope that the government will give favourable consideration to this amendment.

We have heard it said that it may not be possible to secure qualified fishermen to serve in this capacity. This type of argument is

facetious, for our fishermen have been co-operating with the packers and shippers for many years. They have assisted them in handling the catch. I think it would be a distinct loss to the president and the directors of this new marketing corporation if the skill and expertise of these men were lost to the board. After all, these are the people who will be primarily affected if the marketing corporation is not as successful as we hope it will be. Surely it is not asking too much that they be given some say in the control and management of their own affairs.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, in regard to this amendment I think a more logical case could be made for representation of the fishermen on the committee than in the case of the last amendment, with regard to which the government could argue that, after all, there had to be some expertise, some commercial know-how, people with degrees, to do a proper job. Surely it can be legitimately said that those who are actually engaged in the industry should be allowed to have their say on the advisory committee. If the government picks the membership of the board, the board could well turn down any advice given to it by those involved in the fishing industry itself.

The attitude taken by government speakers in relation to the last amendment tempts me to believe that they think that the government knows best, even in fishing matters. I have the feeling that big brother is watching them, that big brother is telling them what to do, and this is why they are treating the fishermen in this fashion. We all know that our farmers have suffered somewhat from the misadventures of government boards, and I cannot help but feel that those boards would have avoided making many of their mistakes had they listened to the farmers' advice. If we had sought advice from the farmers we would not now face the present mess in Vancouver in respect of grain sales.

• (2:20 p.m.)

In the field we are now considering advice ought to be sought from those who have practical experience. You can have all the degrees you want, you can know a great deal about many subjects, but it is better for you to be qualified in some practical aspect of the fishing industry—notice, Mr. Speaker, that I said "qualified"—before being appointed to the board. The minister and the government ought to give active fishermen the right to be on the board. Those fishermen ought to be able to express the desires, feelings and wishes of fishermen in general about the sale of their products, which will be the concern of this government marketing board.

[Mr. Crouse.]

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I have listened to the debate and the minister's replies to the remarks of hon. members who have proposed various amendments. I find it difficult to understand why the government is reticent to accept this amendment. The minister said it is very likely that there will be fishermen on the board and it is very likely that the Auditor General will audit the books of the board. That means nothing; that is a general statement of the minister. I should prefer to see enshrined in this legislation the right of fishermen to be members of the board.

I return once more to a thought I expressed when this measure was first introduced. Is this just another welfare state social measure or is the government setting up a true marketing board? If it is to be a true marketing board, why are people with practical experience not to be included on it? How many other marketing boards dealing with other commodities exclude from their membership those who have had practical experience? If this is to be a straight, out and out social welfare scheme, then let us follow up our thinking by appointing to the board academics with no practical knowledge of fishing. If it is to be a true marketing board, then I wish to see enshrined in the legislation the right of those with practical fishing experience to be on it.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I appreciate why the hon. member moved the amendment and I wish to congratulate him for taking considerable interest in the fishing industry. I think that the remarks of hon. members, both before and after lunch, indicate that we need in the legislation specific provision for fishermen or representatives of fishermen actually engaged in the catching of fish to be on the advisory committee. This morning I spoke of the need for members of the board itself to be experts in marketing; my remarks now pertain to the advisory committee, which is not quite the same as the main board.

I am glad to see that the hon. member who moved the amendment has returned to the house. Would he accept a subamendment? My subamendment would insert after the word "be" in the clause "shall be actively engaged in the fresh-water fishing industry as fishermen" the words "persons or representatives

of persons." I think we agree that fishermen should have full representation on both the advisory board and the full board. The minister made this clear many times. If the hon. member who moved the amendment genuinely feels that there may be insufficient representation of fishermen's interests on this board, I hope he will accept my amendment to his amendment and make it possible to appoint people who, while not necessarily actively engaged in fishing, could be representative of those who are so engaged.

I do not think it is necessary to restrict appointments only to those who are actively engaged in fishing. A man may have been a successful fisherman for a number of years and then gone into some other phase of the fishing industry such as marketing. He could make an important contribution on the advisory board. I feel that by permitting the words "persons or representatives of persons" to be inserted after the words "and shall be", the aspirations of the hon. member who moved the amendment would be satisfied and the problem would be met adequately. As the wording of the amendment now stands a man who was an expert fisherman but is no longer engaged in fishing would be excluded from the advisory board. Such a man could not be appointed to the board. If a vacancy had to be filled we should have to go back to the fishing fleet and find another fisherman. I think my subamendment might meet the difficulty. I wonder whether the hon. member who moved the amendment would accept my subamendment.

Mr. Crouse: Mr. Speaker,—

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for South Shore has already spoken and will need unanimous consent to take part in the debate again.

Some hon. Members: Agreed.

Mr. Crouse: Mr. Speaker, I listened with interest to the remarks of the hon. member for Esquimalt-Saanich. Inasmuch as under the new rules there is a requirement that any amendment to be moved must be tabled 24 hours before the bill is dealt with by the house, I wonder whether the subamendment is in order. Aside from that, I should like to see a copy of the subamendment so that I can compare it with the original amendment and understand what we are discussing.

The Acting Speaker (Mr. Béchard): Order, please. I must refer the hon. member for South Shore and other hon. members to Standing Order 75(8) which reads as follows:

> When the order of the day for the consideration of a report stage is called, any amendment of which notice has been given in accordance with section (5) of this order shall be open to debate and amendment.

Consequently the subamendment suggested by the hon. member for Esquimalt-Saanich is in order and may be moved at this time.

Mr. Anderson: Mr. Speaker, I apologize to all hon. members for not circulating a copy of the subamendment. If hon. members will turn to the second last page of the order paper they will see at the top of the page the amendment moved by the hon. member for South Shore. That amendment reads:

> —and shall be actively engaged in the freshwater fishing industry as fishermen.

My suggestion is that certain words be added after the word "be". I am sorry, but I shall have to ask Your Honour to read the subamendment. I have given you my only copy.

• (2:30 p.m.)

The Acting Speaker (Mr. Béchard): Order. The amendment will now read as follows:

> —and at least one-third of whom shall be persons or representatives of persons actively engaged in the freshwater fishing industry as fishermen.

Mr. John Lundrigan (Gander-Twillingate): It comes as a great surprise and welcome relief, Mr. Speaker, that the hon. member for Esquimalt-Saanich (Mr. Anderson) in consultation with the Minister without Portfolio (Mr. Lang) has finally consented to accept our proposed subamendment. It means that five hours deliberation in committee and a tremendous amount of prior work have not been wasted. This is the sort of thing for which we have been pressing.

As the hon. member for South Shore (Mr. Crouse) indicated earlier this afternoon, the reasons for this amendment are more evident now than when first presented. It sometimes takes a little longer for people who are not exposed to the fishing industry to realize the importance of these things. I am happy to support the amendment. It will now be easier for fishing organizations or unions and their representatives to become involved. The fact the minister has changed his mind is an indication there may be more constructive deliberations on matters pertaining to the welfare of people in various parts of Canada. On page

213 of report No. 11 of the Standing Committee on Fisheries and Forestry the minister said:

> To designate certain persons as representing a certain interest is apt to produce the wrong atmosphere and attitude on the board.

In his commentary the minister stated he was in favour of having fishermen on the board.

Mr. Lang (Saskatoon-Humboldt): Will the hon. member permit a question? The hon. member has referred to the minister's statement. Would he indicate whether he was talking about the board as such referred to in clause 7 of Bill C-148 or whether he was referring to the advisory board?

The Acting Speaker (Mr. Béchard): I have to get this in order. The subamendment should be put first. It is moved by the hon. member for Esquimalt-Saanich, seconded by the hon. member for York-Simcoe, that the amendment be amended by inserting therein, after the word "be", the following words:

"persons or representatives of persons".

Mr. Lundrigan: I am prepared to refrain from commenting until we vote on the subamendment. It is my understanding that we can debate the amendment.

Mr. Knowles (Winnipeg North Centre): The motion as amended.

Mr. Lundrigan: The minister posed a question, Mr. Speaker. The minister asked to which board I was referring, the advisory board or the corporate body. I will clarify this for him. The comments I have been making are in relation to the minister's statement on the advisory board. It is my understanding this is what the amendment is about. We would like the minister to write into the proposed legislation that fishermen will be represented on the board. This would give a guarantee to the fishermen of Canada that they are worthy of political involvement in this great participatory democracy at this point in time. The minister said, "You have my word this will be done." Later I felt the minister did not really mean that. I quote again from the minister's remarks at page 213 of report No. 11:

> To designate certain persons as representing a certain interest is apt to produce the wrong atmosphere and attitude on the board. I would not really want to see six people coming there and saying: "I am the fishermen's representative and those guys are for someone else." I think that is the wrong approach. The men who are on the board are to advise the industry as a whole, not to be representative of a particular interest, but to have a background that makes some good representatives on the advisory committee. I think that is a matter of general issue.

At one time the minister indicated these people should be on the board and at another time that it would be wrong. I am happy that the minister and the hon. member for Esquimalt-Saanich have realized these people are necessary on the board, that they do have expertise in their own right, are aware of problems involved in the fishing industry and are capable of advising the academics who make political decisions which are now costing $13.6 million as shown in the estimates.

I think there will be more confidence in the corporation which may have an effect on prices in the fishing industry. I feel greater benefits will accrue to the people doing the greatest amount of work to produce the primary product. I am certain hon. members will support this amendment, which was defeated in committee and about which some hon. members were annoyed. Apparently the same amendment is now being accepted by these hon. members. Those who made disparaging remarks about the fishermen of Canada should now go on record and say they misunderstood. I am not going to speak any longer. I would just like to say I am happy hon. members have seen the light.

Hon. Otto E. Lang (Minister without Portfolio): I am not really surprised, Mr. Speaker, that the hon. member for Gander-Twillingate (Mr. Lundrigan) is not familiar with the attitude of the committee which discussed this bill clause by clause. Because of the atmosphere after the first couple of hours the hon. member walked out in high dudgeon.

• (2:40 p.m.)

He referred to a general principle which I still think to be a good and general point of wisdom. However, it is perhaps not the most important one and indeed he might have noted it was the last point of several to be made in connection with the earlier debate. Several of the earlier points showed up as changes in the form of the amendment which was proposed to the house on the order paper. The difficulty with any amendment of this form frequently lies in choosing words which will not in fact create technical difficulties. I think the words which have now been proposed by the hon. member for Esquimalt-Saanich (Mr. Anderson) are satisfactory in this regard and this, with the other changes which were made by the hon. member for South Shore before placing his amendment on

the order paper, produces a satisfactory result.

The main point in going forward with the inclusion of this provision in the bill is that whereas during the committee I had expected hon. members opposite would accept the commitment which had been made about representation of fishermen on the board—and I dare say most hon. members opposite would so accept it—it became clear that some hon. members were not in that mood. So with that, Mr. Speaker, I am pleased to support the amendment to the amendment and then the amended amendment in turn.

The Acting Speaker (Mr. Béchard): Shall the amendment to the amendment carry?

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, the hon. member for Esquimalt-Saanich (Mr. Anderson) has moved a subamendment to the amendment which I originally moved and, as I understand it, the amendment would now read:

—at least a third of whom shall be persons or representatives of persons actively engaged in the freshwater fishing industry as fishermen.

The subamendment would indicate that the government and its supporters have had a change of heart. It would indicate they have given this bill and the amendment which we proposed very serious consideration, and this is a welcome change. I very much appreciate the comments that were made by the Minister without Portfolio (Mr. Lang) with regard to this matter. As I said earlier, this Freshwater Fish Marketing Corporation in the years ahead will make a great impact upon a large area of Canada. In some parts of this nation the freshwater fish industry is the only type of vocation in which some 7,000 people are engaged, and their economic future is basically tied up with the success that will be achieved by the Freshwater Fish Marketing Corporation. If it is not properly managed it can only bring heartbreak and financial distress to a great number of people in a large area of Canada.

It was for these reasons that we moved the amendment originally in the hope that people who are knowledgeable of the industry, knowledgeable of its problems, would have an opportunity to express their opinions in an advisory capacity to the president and the directors of this board. I wish to thank the hon. member for Esquimalt-Saanich for his subamendment. In my opinion it actually strengthens the amendment which we placed on the order paper and I hope it will receive general agreement throughout the entire house.

Mr. Anderson: Mr. Speaker, I would like to thank the hon. member for his kind words but I would like to make one minor correction. When he read out the subamendment he said "representatives of persons," and in actual fact it is in the singular "representative of persons." Does this in any way alter the hon. member's opinion or attitude toward it?

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, or a point of grammar, I think it should be "representatives."

Mr. Lang (Saskatoon-Humboldt): It isn't.

The Acting Speaker (Mr. Béchard): According to the wording which the Chair has it is actually "representatives", plural.

Mr. Crouse: That is what I have here.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I had a big speech written out but I am not going to deliver it since the government and its supporters have changed the amendment. Therefore I will take just a few minutes. I want to put on record the fact that in the standing committee we discussed this amendment and all types of amendments. We asked the government supporters if they would accept any type of amendment at all, but it was no go. We put on the record of the committee the fact that they were not prepared to accept any amendment from the opposition, and we have proven it again today. Therefore I say the committees are a farce.

Mr. Lundrigan: Mr. Speaker, am I entitled to speak on the subamendment?

The Acting Speaker (Mr. Béchard): The hon. member has already spoken.

Mr. Lundrigan: On a point of order, Mr. Speaker, the Minister without Portfolio (Mr. Lang) during his brief remarks made reference to my storming out of the committee. For the benefit of hon. members I think it should be pointed out that our standing committee met for a total of five hours, and it was on this very principle of having the fishermen involved that I finally decided that if I could not get that through I was prepared on their behalf to leave the deliberations of the committee altogether. I think there has been a tremendous misrepresentation of my

motive, and I wish to state that I am prepared at any time to walk out of a committee on behalf of these people. If it has this kind of result perhaps I ought to walk out more frequently.

Mr. Thomson (Battleford-Kindersley): Mr. Speaker, I would just like to say I am happy to see the minister and the government give this recognition to the fishermen, and for this reason we are happy to support the subamendment.

The Acting Speaker (Mr. Béchard): Shall the amendment to the amendment carry?

Some hon. Members: Carried.

Mr. Crouse: Mr. Speaker, would you read it again? You stated that it was in the plural and the hon. member has stated that it was in the singular. To clear up any misunderstanding on this point you should read the subamendment as it is now written.

The Acting Speaker (Mr. Béchard): The amendment to the amendment reads as follows:

That the amendment be amended by inserting therein after the word "be" the following words: "persons or representatives of persons."

Mr. Lang (Saskatoon-Humboldt): On a point of order, Mr. Speaker, I rise to say that I was under the impression that it was the other form that was before the house when I was speaking. I wonder if there could be consultation with the table about the form which lay before the table at that point?

Mr. Bell: Mr. Speaker, while the deliberations are going on I would just like to say that if government members think this way about amendments one would think they could get them ready in the committee so that we would not have this last minute "kafuffling.".

The Acting Speaker (Mr. Béchard): Order. Mr. Anderson, seconded by Mr. Roberts, moves:

That the amendment be amended by inserting therein after the word "be" the following words: "persons or representative of persons."

Shall the amendment to the amendment carry?

Mr. Knowles (Winnipeg North Centre): With respect, Mr. Speaker, I think that the words lack sense and clarity if the word representative is in the singular. That seems to suggest that there shall be persons engaged in the industry itself or a representative, and it can only be one person who is a representative. If the words were "persons or persons representative" I think the point might be all right, but just to say "persons or representative" I think is not grammatically correct.

• (2:50 p.m.)

Mr. Lang (Saskatoon-Humboldt): On that point, I think if you read the whole amendment as amended rather than simply the amendment it shows it is limited to simply one person:

At least one-third of whom shall be persons or representative of persons actively engaged in the freshwater fishing industry as fishermen.

Grammatically, that makes sense. I do not say that the suggestion of the hon. member would not be better but I think this makes sense.

Amendment (Mr. Anderson) to the amendment agreed to.

Amendment (Mr. Crouse) as amended agreed to.

Hon. Otto E. Lang (for the Minister of Trade and Commerce) moved:

That Bill C-148, to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation, as reported (with an amendment) from the Standing Committee on Fisheries and Forestry, be concurred in.

Motion (for concurrence) agreed to.

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

Mr. Knowles (Winnipeg North Centre): Next sitting.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

AMENDMENTS RESPECTING DEFINITIONS, LIMITATION OF POWERS, ETC.

The house resumed, from Monday, February 3, consideration of the motion of Mr. Kierans for the second reading and reference to the Standing Committee on Transport and Communications of Bill S-5, to amend the Canadian Overseas Telecommunications Corporation Act.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am somewhat surprised at being allowed to go into orbit so soon. I had not anticipated that the people interested in the fisheries question would—I was going to say

alight so soon but that would not be the proper word. I shall begin by saying I am generally in accord with the remarks which the Postmaster General made on the night of February 3 when he opened the discussion on this measure. I have the highest regard for the Canadian Overseas Telecommunication Corporation and not just because it is a profitable organization, although there is nothing wrong with even a Crown corporation showing a profit. We deal in this house with those that do make a profit and many that certainly do not.

I am looking at notes I have here. My typist, instead of typing "corporations do not have to lose money", wrote "corporations have to love money." But I do not think that is quite the point here! One can say, however, as the Postmaster General said the other night, that this organization has shown great competence in managerial and administrative ability through a good many years and deserves the commendation of the Canadian people for that.

With much of the bill it would indeed be impossible to take exception. I suppose the first two clauses are close to being textual or consequential changes resulting from developments in the cable connections with what used to be an overseas area, namely, the province of Newfoundland, a province which for nearly 20 years has been a welcome, valuable and great portion of the Dominion of Canada.

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

Mr. Macquarrie: Yes.

Mr. McGrath: Would the hon. gentleman tell the house at what point Newfoundland ceased to be an overseas province?

Mr. Knowles (Winnipeg North Centre): On April Fool's Day, 1949.

Mr. Macquarrie: My hon. friend would have to check with his esteemed and enduring prime minister in that province who has constantly told Canada it is a great mistake to call Newfoundland an island province because it has a very large mainland portion of which the premier is apparently very fond and determined to retain. So I could say to my hon. friend I come from the only island province in this dominion and the only province which, if it were not in a gulf, would be overseas.

Mr. McGrath: I would remind the hon. member that if this government has its way it will remain the only island province.

Mr. Knowles (Winnipeg North Centre): Is the hon. member not trying to cease being an island?

Mr. Macquarrie: Mr. Speaker, I am beset by people both on the right and on the left. It is a difficult orbit I am in. If the hon. member asks whether I think Prince Edward Island would lose its unique insularity, personality or spirituality I would say no, but we will still accept that causeway when the government decides to resume its obligations in regard thereto.

Having had these odd complications—I will not say from odd people but from two people—I shall try to return to the legislation before us. The sections of the bill which require some careful consideration are in the third clause. Before I get back to earth in this discussion I will have a suggestion or two and perhaps a forecast of some specific suggestions which we might make in committee. I am sorry the minister is not here because I had intended congratulating him for making in a sense his debut in his role as minister-designate for communications. We have had him before us in this role as Postmaster General in some unforgettable debates with still significant after-results.

I was interested in the minister's remarks on Monday, February 3, when he pointed out the following, as recorded at page 5086 of *Hansard:*

> Their past record justifies their request at this time, which I am happy to put forward, for additional powers and greater flexibility. The corporation is a member of the International Telecommunication Satellite Consortium and represents Canada on that board. It is much concerned with the expansion of satellite services all over the world and of course maintains Canada's interest and attention in all that goes on in international satellite relations. The corporation itself is expanding the use of Atlantic satellites to cope with the need for more capacity to cater for increasing demand for service between Canada and European countries and foresees the need for a Canadian earth station on the west coast for operations with the Pacific satellites.

He then referred to that very important establishment in Mill Village. I am wondering whether it is the intention at some future date to increase the scope of the C.O.T.C. as Canada moves forward in the satellite area both in what is called the domestic satellite field and in what can be regarded as a more clearly defined international aspect. I wonder whether the minister was indicating a greater

role for the C.O.T.C. Whether its role is to be increased only in the international or also in the domestic area is a matter of interest to Canadians. We are moving into an era of great concern with regard to the whole question of satellites. I think there is a great deal of mysticism and perhaps a good deal of mythology about satellites when we talk about the waves of the future, blackboards in the sky and data computers in every home. It is interesting and practical that we be in the vanguard of thinking on these matters and look carefully at what our technological competence may allow.

• (3:00 p.m.)

I have been concerned in recent months that, perhaps while the script is becoming fairly extensive, the background and footnotes are not forthcoming. We are perhaps going to be launching in this country a very expensive satellite program. Many very important questions have not yet been answered for the Canadian people. We have been seeking information for a long time. It is many months since the MacIntosh report was handed in, but it has not yet been tabled. The so-called Whitehead mission has been to Europe and back these many months, but there has been no indication about its findings and observations. There has been no statement by the minister as to what was involved, and we would like to know about this.

The whole question of satellites and indeed the question of telecommunications is a complex, sophisticated and extremely difficult one. Having been assigned some responsibility in this field, I can testify to the tremendous difficulty in trying even vaguely to comprehend some of the complexities of this field. I think it is important that there be a great deal more done to enlighten the Canadian people as to what is involved.

For instance, are we to be sending up into orbit a costly domestic satellite built in Canada and, if so, what is the cost to be? I have seen estimates all the way up to $160 million. I also read that a United States built satellite might be sent up having an equal or greater capacity for telecommunications service at a fraction of that amount.

There are advantages to a Canadian built satellite. Some people might ask whether the price of our scientific nationalism, if it comes to $200 million or so, is not too high. I would not say that. I would say, however, that the rationale behind a Canadian built project should be more fully explained to the Canadian people. In the long run, I think it is clear even to the most lay of the laymen that no Canadian domestic satellite will be put into orbit by Canadian efforts alone. Someone else will have to do the launching for us, and to that extent it will not be exclusively one of our own operations. I am inclined to believe there is justification for a Canadian built satellite, but I believe the people responsible should do a more sustained job of informing the Canadian people. I do not think they will find opposition from those who have been so advised.

Let me say in passing, if I may, how very much I appreciated the opportunity of being at Vandenburg air base a week ago in company with the minister who, I presume, is subbing for the Postmaster General at the moment, (Mr. Drury) and some other members of parliament and members of the scientific community involved in the creation of the Isis A satellite. I was pleased to note the success of the launch, and I was delighted with the obvious co-operation of the governments of the United States and Canada in the launching of a Canadian ionospheric satellite by the United States.

An hon. Member: And the Hollywood stars.

Mr. Macquarrie: We saw no Hollywood stars, in answer to my more youthful friend. I was impressed by the name "Isis A". While the Canadian scientists told us many things about this satellite, I did not hear from anyone a recollection of the mythological connection, which might indeed have been very appropriate.

Isis was one of the more, indeed for a long time, paramount goddesses of ancient Egypt. She was regarded as the daughter of the earth and sky. I thought this was a very appropriate name, although I know that Isis means something else. It is one of those initialled conglomerations which not only clutter the international jargon but the scientific jargon. I also recall, and this may not be esthetically very pleasing, that Isis was a horned goddess. The minister (Mr. Drury) will recall a certain anxiety about whether or not antennae would be projected from Isis A. They were projected and I assume everything is working fine, so we not only have the goddess Isis up there but it is appropriately a horned goddess. We are very proud of this operation, and I think Canadians can take pride in their scientific community.

I do not want to carry on too long on this quiet and friendly Friday afternoon because I know there will be other opportunities to discuss this matter when the bill setting up the Department of Communications, and the corporation are before us as well as committee discussions. However, there are as well as international obligations, domestic implications of a broad political nature which are of concern.

It has pained me that in recent weeks most of the discussions in the Canadian press about the whole question of satellites has dealt with argumentation and disagreement between governments representing the provinces and the dominion. The last thing I should like to do at this time or at any time is to say anything which might exacerbate differences within this country. I recognize, as any thoughtful resident of a federal state must recognize, that this is a very difficult question. There is no argument that the dominion responsibility in the field of the development and projection of satellites is clear. I agree with the white paper, the author of which is sitting opposite me, and the statement that the government is responsible for the international negotiations concerned with communications satellites, both domestic and international. I also agree with the statement that the government is the only body which can negotiate with other countries in this field and that the relationship between domestic communications satellites and the national interest is of vital and unique importance. This must be made unmistakably clear.

I think this is a propitious statement; indeed, perhaps an axion of international relations in this country which we can accept. Yet—this is the complexity of a federal state—that the content of satellite programs would in part be educational and cultural. They are not purely appraisors of weather data. Education and culture would be very important parts of the larger payload, to use another bit of jargon I have been picking up. That this is the concern, indeed the jurisdiction, if I may use that word, of provinces can hardly be denied. It is not surprising that some of the provinces are expressing an interest in this sophisticated, modern "razzle dazzle" vehicle of communications. The interest of one of the provinces has been expressed over a long period of time. Therefore, it should be no surprise that the province of Quebec has more than a passing interest in this particular question.

• (3:10 p.m.)

It was a long time ago that Premier Bertrand, speaking in Hull, said:

> We want an integrated and complete system embracing not only education and culture, but also the transmission of data and exchanges among knowledge banks.
>
> It is in this perspective that we have turned to communication satellites. Efficiency demands that we control this integrated system in its entirety, but this will not inhibit co-operation and exchanges with the other provinces and with the federal government, if such is to be.
>
> This is a field in which Quebec must act if Quebeckers are to feel that their culture and their own particular genius can be put to use not only in the field of arts and letters, but also in that of science and technology.

This statement was made a long time ago, and there have been others. Therefore, we would have to observe that Quebec's interest is not something of recent vintage. Mr. Cardinal in his discussions with the officers, and indeed the officer, of the Republic of France a few days ago was not breaking new ground. One cannot, and certainly I do not, applaud all that Mr. Cardinal said or did in that particular context. I would suggest that consultation with the dominion government should have taken place before the initialling of agreements or the signing of letters of intent.

I think that a nation state must be the only vehicle for the expression of international personality. Yet as one who is concerned with all of Canada and its provinces, I cannot refrain from asking other questions. One asks what has happened to the old idea of co-operative federalism, as we used to call it. I am interested in the pattern of consultation which has been reported for some time. The Foreign Secretary of France and the Prime Minister of Canada (Mr. Trudeau), held discussions in Quebec. The Foreign Secretary of France and the Secretary of State for External Affairs (Mr. Sharp) have had what are described as long and cordial discussions at the United Nations, with satellites as part of the agenda. Technicians of France are in Canada working in co-operation with our scientific people. There is an exchange of, and I note this, not educators but technicians between Quebec and France. But where in all of this pattern is the co-operation, or discussion between the other two members of the triangle? When do Quebec and Canada get together? When do Ottawa and Quebec city engage in a dialogue? This is, I submit, a very, very important question.

On November 26 before, I am sure, a large and enthusiastic television audience, the

minister-designate of communications said that we were going to sit down and talk to Quebec about this problem of a province like Quebec getting involved with foreign governments in the creation of a satellite. I make that remark parenthetically. When he was asked when he was going to do this, his answer was, "Right away".

One asks, were these discussions held? What was the result? The cool, polite statements of the Secretary of State for External Affairs and the cool and, I think, polite response of Mr. Cardinal lead me to ask when these chats took place and how effective they were. Surely, in Canada there should be no barrier of silence between federal and provincial people on this or any other matter. It would be a strange flaw in communications if this were the case. I feel very deeply that the advanced technology which makes communications satellites possible in this wonderfully advanced and, in some ways, highly enlightened age, should be a great agency for unity, for closer relations between the peoples not just of one country but indeed between countries. How dreadful it would be if this modern device and this modern expansion of man's capacity to communicate should in our own country become a vehicle, not for harmonious and strengthened communications, but of discord and disunity.

I am anxious to see this country go forward in its satellite program. I have immense confidence, and indeed pride, in the advances made by some of our scientific people. I note with the greatest approval the participation of the university field in this branch of the sciences. I have every confidence in the corporation which we are now discussing. I am sure that all of these people can do the technical job, but we must make sure that the broader political decisions are made thoughtfull and in time.

There is much more that I could say, and in weeks hence perhaps I shall have a chance to do so. When we get into committee we may submit, for the consideration of the committee and eventually the house, an improvement to clause 3 of the bill. I wonder whether a raising of the ceiling figures set out there, and thereby the assurance of getting parliamentary control where it should be, coupled with a vote of confidence in the corporation to discharge operations far in excess of the small amount set out at the present time, might not be a better way of dealing with the matter. I think this is something we would ask the committee to consider.

[Mr. Macquarrie.]

I want to end as I began, Mr. Speaker, by expressing great support for the work done by the C.O.T.C. and the hope that it will be a useful vehicle for greater activity. We will be interested to hear whether any plans have been made for its use in the domestic satellite program, despite the word "external" in the bill. We shall be urging, as we have in recent weeks, that the Canadian public be more fully informed on what is in store for this particular aspect of communications. It is costly; it is important; it is sensitive. There are involvements international and domestic which are most acute. I think there is no better way of guaranteeing public support and understanding than by full, ample and prompt communication.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, the previous speaker, the hon. member for Hillsborough (Mr. Macquarrie), expressed the hope that he could set the tone for a particularly dispassionate debate this Friday afternoon on the propositions contained in Bill S-5. There is no doubt that the hon. member has succeeded in setting such a tone. Perhaps because the hon. member is a friendly sort of person—very analytical, too, I might add—he has succeeded in doing this. But I suspect there is a second reason, namely, that the bill before us is quite non-controversial. As I see it, there are two provisions contained in Bill S-5.

• (3:20 p.m.)

One is to delete the special reference to Newfoundland in the operations of the Canadian Overseas Telecommunications Corporation. Even though the hon. member for Hillsborough and the hon. member for St. John's East (Mr. McGrath) are in some disagreement as to whether or not Newfoundland is unique in Canada in being an overseas province, I will stay out of that argument. Neither do I know whether Prince Edward islanders really consider that province to be an island in the same sense as is Newfoundland.

I also read the comments made by the Postmaster General (Mr. Kierans) on February 3 when he spoke on this bill. I agree that perhaps it is time the spending authority of the Canadian Overseas Telecommunication Corporation be revised. I am not sure, however, that the minister should be proposing to remove the limitations completely and to vest in the cabinet the limiting power by way of the Governor in Council.

I would have preferred an amendment whereby the ceilings would have been increased substantially from $50,000, which was the limit set in one case, and $5,000 which was the limit in another case. I think it would have been better to increase these limitations substantially but without removing them from the statute. I do not know how significant it will be to transfer the limiting power relative to this corporation from parliament into the hands of the Governor in Council. Inasmuch as members of the cabinet and the Governor in Council are responsible to parliament, it really works out to the same thing.

I would like to take the opportunity, as has the hon. member for Hillsborough, to make some reference to our domestic communication space satellite plans and program. I do not agree with the hon. member that we would be making a mistake if we engaged in the construction of a Canadian built communication space satellite. As I understand the remarks of the hon. member, he seemed to be of the opinion that if such a space communication system were to be developed by Canada, and if it were to cost us in excess of $70 or $80 million, this might well be too high a price to pay. He suggested that perhaps we should look to the United States to provide us with such a satellite at a reduced price.

I feel that because of the advantages which could accrue to our scientific community in the building of an even greater scientific expertise, it would be worth the price for us to build a communications space satellite capability in Canada, even if the cost does rise to the level estimated by the Postmaster General. As I understood him, he estimates the cost to be in the neighbourhood of $70 million to $100 million. It is often said that one of the advantages that a country derives from military conflict, and this is rather ironic and sad, is that at least at that time scientific expertise and technological competence surges forward and increases rapidly. I should like to think that in our time man can, through peaceful scientific programs of endeavour, increase his expertise and technological ability without having to resort to warfare in order to do so. So, I emphasize that I would consider it very sad if, for the purpose of saving a few million dollars, we decided to buy a communication space satellite from some other country. I am sure that in so doing we would be relegating our Canadian scientific community to the background and the repercussions from that would be felt for many years.

I say to the minister, let us by all means go full speed ahead with the plans for the construction and development of a Canadian space communication satellite capability.

I also want to bring to the minister's attention the fact that, as I read his comments when he introduced this bill, he gave us to understand that within a relatively short time from now Canada would be constructing a second ground receiving station in Nova Scotia in order to take advantage to a greater degree of the programs that are receivable from the Intelsat Atlantic satellites. I do not know exactly how many Intelsat satellites are in orbit over the Atlantic region in Canada and Europe, but I do know that in recent days Intelsat has launched a communications satellite in the Pacific region. To the best of my knowledge, Canada does not yet have a ground receiving station on the west coast. As I interpret the situation, this means that Canada cannot avail itself of any communication receivable through the Intelsat Pacific region satellite, and yet we are paying for it.

Canada is a member of Intelsat and pays 5 or 6 per cent of the cost of that organization. However, we are not able to make any use of whatever facilities Intelsat has in the Pacific region because we have not yet established a ground receiving station there. It seems to me the minister should explain at an early date why the policy is to go ahead with the building of a second ground receiving station on the east coast while at the same time we are not building the first one on the Pacific coast. I think that is a valid point which the minister might want to deal with at some future date.

The hon. member for Hillsborough, in his remarks relative to this bill, also made some mention of the fact that there was a consortium in Europe attempting to develop a launching capability to send up a Franco-German space satellite and that Quebec would be involved in this venture. About two months ago I asked the minister if he could indicate whether the province of Quebec was really serious about the building of a ground receiving station somewhere in the province which would be capable of receiving signals from the Franco-German satellite. Perhaps the minister was not in a position to reply at that time, but since then there have been some developments. Quebec seems to be determined to build such a ground receiving station with or without federal assistance. There is a rumour that direct assistance will be given to the province of Quebec by the government of France. I would not attempt to go

into the constitutional aspect of such an action, but I do say to the minister that the only possible justification for the construction of a second ground receiving station on the Atlantic coast would be that it might help to remove the necessity of Quebec building the ground receiving station. In that event, I suppose one could go along with that idea.

• (3:30 p.m.)

Although I did not have the pleasure of attending with other members of parliament about a week or ten days ago the launching of Isis at Vandenburg Air Force Base, I did have the opportunity about two months ago of attending the meetings of the Canada-France Parliamentary Association in France. While there we were invited to view the scientific space communications satellite development program, and we were taken on a tour of the Centre National des Études Spatiales just outside Paris. It becomes obvious to us that France is well on its way, and very determinedly, to developing a space communications satellite capability of its own. Judging from some of the comments that I heard at that time, there seems to be an equal determination somehow to bring the province of Quebec into that program. I wish the minister the best of luck in the days ahead in his attempts to cope with that thorny constitutional problem.

I conclude by saying that so far as the specific provisions of Bill S-5 are concerned, there is nothing at all to which to object. I merely wish to register a small caveat. Perhaps, instead of removing entirely the statutory limit on the spending power of the Canadian Overseas Telecommunication Corporation and leaving it within the discretion of Treasury Board or the Governor in Council, it would have been better to have revised the amount upwards substantially, from $50,000 to, say, $1 million, or from $5,000 in the case of long term leases to an amount of four or five times that. With those comments, I feel that I have at least had my say so far as Canadian communications policy is concerned.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I was delighted to discover that, according to this bill, Newfoundland is no longer considered to be an offshore area. I am glad that my two colleagues have straightened that out, and also the government's thinking. It does seem to me about time because, if my memory serves me correctly, 1949 was their year of confederation.

I should like to direct a few remarks to the minister about clause 3. According to the bill, the purpose of this amendment is to remove from the act the requirement that transactions of the corporation involving amounts in excess of limits specified in the act be approved by the Governor in Council and to provide that the Governor in Council may, from time to time on the recommendation of the Treasury Board, prescribe the limits to transactions that may be entered into without approval.

Like the previous speaker, the hon. member for Selkirk (Mr. Schreyer), I have no objection to a change in the ceiling; no doubt the figures should be updated. According to subsection (2) of the act, the corporation may not enter into any agreement that now involves an expenditure in excess of $50,000; neither may it enter into, for a period exceeding three years, any agreement or lease that involves an expenditure in any year of more than $5,000. Further, under paragraph (c) of subsection (2) the corporation shall not acquire any real or personal property, the cost of which exceeds $50,000. At today's inflated prices, these are not very large sums.

However, instead of leaving the matter to the parliament of Canada to decide, the decision is to be made by Treasury Board. This is the factor that I find somewhat objectionable. We are witnessing more and more delegated authority. The new rules in the House of Commons are designed to expedite the business of the house. However, this should not mean complete abandonment by the house of its scrutiny.

Further, I do not think authority should be delegated in such a general way. For example, when discussing the piece of legislation that was before the house earlier today the minister in charge made some general comments about provisions that some of us wished to see included in the legislation. He gave his assurance that he thought certain things we suggested would be done. This kind of generalization would be no good in a court of law. I think the house must be much more specific when directing legislation.

I conclude my remarks by saying that I hope the ceilings presently in the act are reviewed. Surely, we should not be expected to give Treasury Board carte blanche to set its own figures; I suggest this is a matter for parliament.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I will be very brief; I do not want to hold up reference of this matter to the committee. I would be remiss if I did not rise to speak briefly on the bill before the house.

I should like to mention that I was fortunate to witness the launching of Isis A at Vandenburg base about a week ago. I assure the house, I am sure the President of the Treasury Board (Mr. Drury) will agree with me, that there was no greater feeling than witnessing the launching of Isis A, knowing that it was built and designed by Canadian scientists and technicians. The launching was done by United States authorities, and I believe that is as it should be because the cost of constructing launching facilities is tremendous. I believe that with co-operation internationally this particular facet can be looked after.

I am sure every member of the house agrees that we have the talent, the scientists and physicists in this country capable of constructing and developing communication satellites. We would not want to see control of these satellites taken away from us. I am sure that the over-all design of the corporation will be to develop in this country the co-operation that is required to efficiently take care of this capability of which we are so proud.

When the Postmaster General (Mr Kierans) introduced this bill on February 3, he said that the purpose of the bill is to establish, maintain and operate, in Canada and elsewhere, external communications services for the conduct of public communications.

• (3:40 p.m.)

I do not think that any province in this nation ought to have the right to put up a satellite over which it would have exclusive control. Such a province would then have entire control over a national communications system. This aspect will be discussed later when regulations are drawn to govern the new communications department. The subject has been mentioned in a report which indicates that it is necessary for the federal government to control Canadian communications satellites.

I have heard it said that officers and employees of the corporation have done a magnificent job in looking after the interests of the Canadian people in this field. Certainly, what we saw at Vandenburg substantiates such claims. We are proud of the contribution Canadians have made in the field of satellites. Without doubt, their work has put Canada in the forefront of nations developing satellites. Our people co-operated well with the United States NASA people, which augurs well for future Canada-U.S. co-operation in this field.

As the hon. member for Selkirk (Mr. Schreyer) emphasized, we should move quickly to establish a communications department. The year 1971 will be upon us all too quickly. We must not waste time that could be used to good purpose. Other countries of the world are developing communications satellites and if Canada is to remain a leader in this field we must move quickly and establish the new department.

Mr. Deputy Speaker: Order, please. I wish to remind hon. members that if the minister speaks now he will close debate.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I thank hon. members for their constructive approach to this bill and for their co-operative attitude. I wish to reassure hon. members opposite that I share with them the desire that our future satellite should be developed in Canada and, as far as possible, manufactured in this country.

Several hon. members mentioned what is really one point. I suppose it could be taken up in committee but I thought I would explain the matter to them now. I agree that we should raise the rather unrealistic limits now imposed by the act on the directors of the corporation. Raising those limits to $200,000 say, or $500,000 would constitute an appreciable improvement. There is no question about that. But I emphasize that this would not eliminate the need for future amendments to be brought before the house if conditions were so to dictate. It must be remembered that in this country we have two pieces of legislation that must be considered, the government contracts regulations and our financial regulations. If we raised the limit as has been suggested, the C.O.T.C. would remain an exception to the financial control mechanism prescribed by the Financial Administration Act with respect to all other government departments and agencies. It might further be noted that the C.O.T.C. is listed in the schedule of government departments and agencies to which this act should apply. Thus, we would have an existing inconsistency in legislation, which would really be a misalignment.

Section 22 of government contracts regulations provides that the Governor in Council may, from time to time, on the recommendation of Treasury Board prescribe the limits to transactions that may be entered into without approval. Perhaps I ought to read that section, which is as follows:

> 22. Notwithstanding anything in these Regulations, the Treasury Board may, in respect of a particular contracting authority, upon notification to the contracting authority, increase or decrease any one or more of the amounts specified in Parts I, II, III and IV.

Canadian Overseas Telecommunications

Part I deals with construction contracts; Part II with purchase contracts; Part III with service contracts and Part IV with leases.

The proposed amendment will remove the existing limits which, as was explained on February 3 and again today, are considered unreasonable. Secondly, it brings C.O.T.C. under the financial control mechanism the federal government has instituted in respect of government departments and agencies as prescribed by the Financial Administration Act. Section 39 of that act reads as follows:

39. The Governor in Council may make regulations with respect to the conditions under which contracts may be entered into and, notwithstanding any other Act,

a) may direct that no contract by the terms of which payments are required in excess of such amount or amounts as the Governor in Council may prescribe shall be entered into or have any force or effect unless entry into the contract has been approved by the Governor in Council or the Treasury Board, and

b) may make regulations with respect to the security to be given to and in the name of Her Majesty to secure the due performance of contracts.

What we are really doing here is bringing the C.O.T.C. into the financial structure governing the activities of all other departments of government or agencies. In other words, the C.O.T.C. will not be an orphan. I think we have all the control we want through appropriate institutions which have been set up and through structures as outlined and detailed in legislation to which I just referred. I simply want to place that fact before hon. members.

Before concluding my remarks, may I move that the motion for second reading and reference to the Standing Committee on Transport and Communications of Bill S-5, an act to amend the Canadian Overseas Telecommunication Corporation Act be amended by substituting for the words "Standing Committee on Transport and Communications" the words, "Standing Committee on Broadcasting, Films and Assistance to the Arts".

Mr. Deputy Speaker: Order, please. I direct the minister's attention to the fact that he is not allowed to amend his own motion. Perhaps by unanimous consent of the house we could substitute the names of the standing committees. Is that agreed?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

[Mr. Kierans.]

• (3:50 p.m.)

PRECIOUS METALS

LEGISLATION RESPECTING DEFINITIONS, MARKING, ETC.—REPORT STAGE

The house proceeded to the consideration of Bill S-4, respecting the marking of articles containing precious metals, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. C. M. Drury (for Mr. Basford) moved:

That clause 8, subsection (4) be amended by striking out line 35 on page 5 thereof and substituting the following:

"(4) no person shall knowingly make a false or"

Mr. Deputy Speaker: Would someone like to make a statement?

Mr. Stanley Haidasz (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): I rise, Mr. Speaker, to speak on behalf of the Hon. Minister of Consumer and Corporate Affairs (Mr. Basford) who is unable to be here this afternoon. The amendment proposed by the minister pursuant to Standing Order 75(5) arises out of the deliberations of the Standing Committee on Finance, Trade and Economic Affairs. It was agreed at that time to pass the bill without amendment. Following questions raised in committee by the hon. member for Edmonton West (Mr. Lambert), however, the minister did agree to consult the Department of Justice with regard to the technical wording of clause 8(4).

The minister did so, with the result that in the proposed amendment before the house the section in question takes full account of the view expressed by the hon. member for Edmonton West to add the word "knowingly" to subsection (4) of clause 8. In view of this situation, Mr. Speaker, I feel hon. members will readily accept this amendment.

Mr. G. H. Aiken (Parry Sound-Muskoka): May I say, Mr. Speaker, this bill has been carefully examined by the committee. As the parliamentary secretary has stated, one of our members did raise questions which have been answered and an amendment proposed in accordance therewith. This particular amendment having been adopted, we see no objection to the bill itself in its amended form. Fundamentally, the bill is concerned with housekeeping, cleaning up certain matters which have been outstanding for some time.

Subject to what I have just said we have no opposition to the motion.

Mr. Deputy Speaker: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Basford) agreed to.

Hon. C. M. Drury (for Mr. Basford) moved:

That Bill S-4, respecting the marking of articles containing precious metals, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs on Thursday, January 30, 1969, be concurred in.

Motion (for concurrence) agreed to.

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

Mr. Knowles (Winnipeg North Centre): Next sitting. It is now four o'clock, Mr. Speaker.

Mr. Peters: Since it is almost four o'clock, perhaps the house would be agreeable to call it four o'clock so we may proceed to private members' hour.

Some hon. Members: Agreed.

Mr. Hogarth: Could it be understood, Mr. Speaker, private members' hour will be one hour in time?

Mr. Deputy Speaker: It being four o'clock the house will now proceed to the consideration of private members' business as listed on today's Order Paper, namely private bills.

Mr. Knowles (Winnipeg North Centre): We have no objection, Mr. Speaker, to order No. 1 and order No. 2 standing. If this is being done as a courtesy to the hon. member for Grenville-Carleton (Mr. Blair), the mover of the bill, I hope the same courtesy will be extended to this side, if he is ready to proceed on a day when the mover of the amendment is not able to be here.

PRIVATE BILLS

AETNA CASUALTY COMPANY OF CANADA

The House resumed from Thursday, December 19, the motion of Mr. Wahn for second reading of Bill S-11, to incorporate Aetna Casualty Company of Canada.

Mr. John Gilbert (Broadview): On December 19, Mr. Speaker, the hon. member for St. Paul's (Mr. Wahn) sponsored Bill S-11 which is an act to incorporate Aetna Casualty Company of Canada. After a very erudite exposition of this particular company he made the remark that he was ready to answer questions. I note with sadness that he is not in the house this afternoon because we in the New Democratic Party have many questions to be answered before this bill is finally passed.

Mr. Peters: He is derelict in his duty.

Mr. Gilbert: I notice other hon. members who have sponsored similar bills are here. I hope they will listen attentively and absorb some of the remarks I will make, then pass them along to the hon. member for St. Paul's.

Bill S-11, Mr. Speaker, is an act to incorporate Aetna Casualty Company of Canada and sets forth in the incorporation the names of some very successful lawyers as well as an insurance agent.

The capital stock of the company shall be $5 million divided into shares of $50 each. The amount to be subscribed before the general meeting for the election of officers is called shall be $500,000. When this particular bill was before the Standing Committee on Banking and Commerce on October 23, counsel for the company stated that the Aetna Life and Casualty Company is the parent company of Aetna Life Insurance Company of Hartford and the Aetna Casualty Insurance Company of Hartford. One would find that rather difficult to follow, Mr. Speaker, unless you have a full appreciation of the corporate conglomeration that prevails in our society.

• (4:00 p.m.)

The company has a wide, horizontal and vertical base not only in the United States of America but also in Canada. They have operated in Canada for approximately 49 years. This is an attempt to incorporate a company dealing in all classes of insurance other than that of life. You will notice in clause 6 of the bill an enumeration of the classes of insurance in which it hopes to participate. It goes from the letter "A" to the letter "Z" which would indicate there are 26 classes of insurance. I have heard it said that when it comes to a matter of security we should have security from the womb to the tomb. Here, we have insurance from "A" to a "Z" which is quite a remarkable expansion by this company.

Last week, Mr. Speaker, I happened to see the picture "2001 A.D.", which dealt with the problems of space. I looked in this bill to

see if there was any reference to outer space insurance and I noticed there was not. I would ask hon. members on the other side to bring this lack to the attention of the sponsor of the bill. In the near future young men will be flying to the moon, and I would like to think that some company would have outer space insurance.

It would be rather interesting to you, Mr. Speaker, to hear an enumeration of the particular types of insurance in which this company will engage. They are fire insurance, accident insurance, aircraft insurance, automobile insurance, boiler insurance, credit insurance, earthquake insurance, explosion insurance, falling aircraft insurance, forgery insurance, guarantee insurance, hail insurance, impact by vehicles insurance, inland transportation insurance, livestock insurance, machinery insurance, marine insurance, personal property insurance, plate glass insurance, real property insurance, sickness insurance, sprinkler leakage insurance, theft insurance, water damage insurance, weather insurance and windstorm insurance. The list is quite impressive.

This brings me to the main thrust of my remarks. You will remember, Mr. Speaker, that just in the past week or two we had an application from a company called Excelsior Life Insurance, and I notice that this company has a 70 per cent interest in Excelsior Life Insurance.

We have an American owned company having a 70 per cent control of a Canadian insurance company called Excelsior Life, and now it wants to incorporate another company to cover all forms of insurance with the exception of life insurance. I would imagine it thinks it can use Excelsior Life Insurance Company to take care of its insurance holdings.

In his opening remarks, the sponsor of the bill pleaded with members of the house to consider that even though it was American capital that was setting up this company the employee content would be Canadian. In a rather tender plea, he suggested that the intention of the company is to have its profits remain in Canada for Canadian use. When I say that is a tender plea, it makes me realize that the profits of this particular company in Canada, with regard to this same type of business under a different name, amounted to $785,000 for the year 1967, a substantial amount.

In the Banking and Commerce Committee one of the able Senators asked how many Canadian shareholders there were in this company. After a little examination and huddling together by those concerned, they suggested that there were 300 Canadian shareholders. In the Aetna Insurance Company, which is an American company, there are 25,000 shareholders, and here we have a Canadian content of 300 Canadian shareholders.

In days like these, when you have take-over bids by American companies for Canadian insurance companies, I would have thought the government would have brought an immediate halt to the incorporation of companies which are American owned until it made a full examination of this take-over problem. Remember, Mr. Speaker, during the last week one of our big Canadian insurance firms attempted to mutualize its company to avoid an American take-over. When I speak of mutualization, I refer directly to the ownership of that company being in the hands of Canadian shareholders. This is what mutualization means.

The bid for mutualization with regard to that particular company failed. Now, it has exposed itself to the strong winds of American companies with regard to the take-over of Canadian life and other insurance companies. If the sponsor of this bill and some of the hon. members on the other side of the house realized the impact and import of this attempt by American companies to take over and dominate the insurance field, I am sure they would rise to their feet and ask that the government take immediate steps to stop this intrusion into our economy.

Mr. Peters: What action did the government take in this matter?

Mr. Gilbert: The hon. member for Timiskaming (Mr. Peters) has brought forth a very salient point. He asks what action did the government take. I am sorry to say members of the government performed as usual. They just sat there and did nothing.

I recall that when I referred to the performance of the Prime Minister (Mr. Trudeau) at the Commonwealth Conference as being a zero performance there was a great howl on the other side of the house. When I referred to the performance of the Minister of Transport (Mr. Hellyer) in the task force on housing and said he had scored a double zero with regard to that important matter, there was another great howl. Here again we have a

fundamental issue with regard to the economy of our country and the government once more sits idly by and does nothing.

This is a sad commentary on this government that attempted to gain power in Canada on the supposition that they would be men of action, avant-garde men. This great leader, whom they elected at the party's leadership convention, would lead Canada into a position of strength and stability. Unfortunately, this has not happened.

Most Canadians are worried about American ownership in Canada. When I reiterate that Aetna Insurance Company has a 70 per cent interest in the Excelsior Insurance Company and has a broad base of insurance right through Canada and the United States, it brings to mind the wisdom and the experience of Walter Gordon. You, Mr. Speaker, remember the contemptible attitude that was taken by some members on the other side with regard to this outstanding Canadian who had a remarkable record in the financial affairs of our country, and who came to Ottawa with the hope that he would be able to lead Canada through these troubled times. He wrote a book which was well received, underlining the problems of foreign ownership. Here, we have a government that not only rejected his ideas but rejected the man himself.

• (4:10 p.m.)

I happened to read the recent book by Peter Newman called "The Distemper of Our Times". He sets forth the position of which Mr. Gordon attempted to make the Canadian public aware. It is rather unfortunate that Mr. Newman's book should have come out late in December at a time when another book by another Canadian personality came out, because the second book by that great woman of Canada—

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member for Broadview but I would request that he try as best he can, and I know he is able to do so, to restrict his remarks to the motion before us at this time.

Mr. Gilbert: Thank you, Mr. Speaker. It so happens that the book by Mr. Newman struck me so forcibly that I just had to bring it to your attention. So many members have not read that book, although they have read the other book by that gallant lady who sat on the other side.

At page 222 of his book Mr. Newman set forth the problem of foreign ownership. As you know, Mr. Speaker, the main burden of my remarks is with regard to foreign ownership. I noticed that the President of the Treasury Board (Mr. Drury) looked up. This is rather important because he was the man who sponsored the Canada-U.S. auto pact or at least piloted it through the house. He knows what I am talking about when I mention the problem of foreign ownership. But he, like so many members of the cabinet, pretends to be unaware of the remarkable penetration of our economy that has taken place by the United States. I hope he does not take that attitude, but rather agrees with me there should be a task force set up to study the situation in respect of insurance companies in Canada. A study should be made of their ownership, the types of insurance they sell, the need for insurance companies, the use of capital by the insurance companies and the necessity for the allocation of the capital funds of these particular companies. I am sure he would agree with that general principle.

I should like to return to the matter of Mr. Newman's book because he has a very succinct and persuasive manner in his writing. He sets forth this problem in respect of foreign ownership. He refers to the report that was published by the task force set up to study foreign ownership and control in Canada. We now call it the Watkins report. At page 222 we read:

> The report stressed that foreign investment is not simply the movement of capital between two countries, but also a political phenomenon. "Foreign control," it concluded, "means the potential shift outside the country of the locus of some types of decision-making. To the extent decision-making is eroded, national independence—being, in a broad sense, the ability to make decisions in the national interest—is reduced." It also warned about the use by foreign governments of the parent-subsidiary relationship as an instrument of their foreign policy. "The Canadian-based subsidiary," the report noted, "is confronted with two peaks of sovereignty; it must choose and might be expected to defer to the higher peak. In the nature of the case, the higher peak will typically be the home country."

I mention that because of the remark made by the sponsor of the bill to the effect that the profits of this company would be retained in Canada. One always remembers the action of the United States government with regard to the equalization tax and the direction by the United States government that subsidiaries of United States companies operating in

Canada send back some of their profits to the United States to take care of the balance of payments problem. This appears to be a very serious problem in the United States, and we in Canada also have suffered in respect of the balance of payments problem. However persuasive the sponsor of this bill may have wanted to be with regard to the retention of profits in Canada, we are subject to the statement that a subsidiary of a United States company would have to act in accordance with United States law and the dictates of the parent company. This is an unfortunate happening. It is an unfortunate fact in the economic life of our country and throughout the world that any subsidiary branch plant operating in another company is subject to the direct control of the parent company.

This is the opening remark set forth in the statement by Mr. Newman. I shall read again this very interesting material of which all of us should be aware:

> Gordon's complaints about the behaviour of foreign subsidiaries in Canada included such things as the absence of a minority Canadian interest in their equity stock distribution; little meaningful Canadian representation on these firms' boards of directors; the fact that export policies were set by parent organizations, often against the domestic Canadian interest; and the reluctance of most American firms to process their raw materials before shipping them to the United States—

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Mr. Peters: Carry on.

Some hon. Members: No.

Mr. Deputy Speaker: Is there general agreement that the hon. member should continue?

Some hon. Members: No.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I was very interested in the remarks my friend was making at the time his 20 minutes expired. The argument he was developing was directed to the control of the Canadian economy by outside interests. A number of private bills such as this dealing with the insurance problem have been before us. Again, I shall ask a question which has been asked before. Just what is the government's position on this particular phase of our economy? Are we to take it for granted that it is government policy to allow the insurance field to be increasingly dominated by outside interests or are we to try to retain for Canada a larger degree of control than we presently have?

It is interesting to read the reports of those in charge of the insurance department. They realize what is happening in the insurance field. This is really part of the financial structure of this country. Slowly but surely to a very large degree we have lost control of this particular sector of our economy. It is amazing that private members constantly bring these bills before the house. Sometimes I wonder whether they go back to their constituencies and tell the people who elected them that they are in favour of selling Canada lock, stock and barrel to foreign investors. That is exactly what is happening. Private bill after private bill is brought in by members who, in fact, are telling us and the Canadian public that they are in favour of taking another chunk of our Canadian economy and shipping it south of the border or to some other nation. They are in favour of shipping out of Canada the control of our economy.

• (4:20 p.m.)

This is the story we are trying to get across. This is the story we are trying to leave with the Canadian nation. It is time the government laid down a policy. This policy should not be left to a handful of private members who bring in these bills. The government gets out from under by saying such bills do not represent government policy, but only policy negotiated by members who happen to be in the Liberal party.

If these bills go through, and hon. members are hoping they will, another chunk of our economy will be going down the drain. Let us have a look at this specific bill. It is designed to incorporate the Aetna Casualty Company of Canada. I am not going to go over the arguments which other hon. members have put before this house. The control of this company is completely held in the United States. Just last week, we had another bill before us which involved a subsidiary of this same company. That bill represented an attempt to kid the Canadian people that this company was the same old company with the same old name but not controlled by outside interests. It is not my intention to go over the memorandum again, but I suggest it shows what can be done and should be done. When any insurance bill goes through this house we should write in some safeguards. This should be the policy and intent of every member elected to the House of Commons, unless the

member is anxious to have Canada completely and thoroughly dominated by outside interests.

This memorandum is dated a couple of years ago. It refers to an insurance bill that was before this house. I think it is important for hon. members to know that bill was opposed by members of this house who argued that changes ought to be made. After a great deal of thought, we found that an agreement could be reached with this particular company. Canadians were going to have some control, and this control was written into the agreement. This is the type of thing we want. We want to write in safeguards when these bills come before parliament. There is absolutely no reason why safeguards cannot be written into these agreements. That is true of the particular bill before us.

The purpose of the incorporation sought by the earlier bill to which I have referred was the same as the purpose of incorporation in respect to the bill before us. The company was to be incorporated for the purpose of carrying on the business of life insurance in Canada. There is nothing wrong with that purpose. There are other parts of this agreement which I wish to leave with the members of this house for what I hope will be thoughtful consideration.

I am not going to read the entire context of this rather lengthy memorandum, but I will gladly provide a copy to anyone who wants it. It indicates that within two years of commencement of business, United Funds Management Ltd. would sell to officers, directors and employees of the company and, if necessary, others who are Canadian residents, 25 per cent of the capital stock of the insurance company for the original price. The memorandum goes on to suggest that within two years of the commencement of the business of this insurance company, it will offer Canadian residents a sufficient number of shares to bring its share ownership below 75 per cent. It says that within two years of the commencement of business the indirect ownership of Waddell and Reed will be reduced to a maximum of 56.25 per cent with practically all of the balance owned by residents of Canada.

Another paragraph of this memorandum indicates that United Funds Management Ltd. will undertake to sell to Canadian residents within ten years of the commencement of the business of the insurance company sufficient shares then owned by the insurance company to bring the direct ownership of Waddell and Reed in the insurance company to below 50 per cent.

I am not going to go into the details, but this is supposed to provide an opportunity for Canadians to participate and eventually gain control of the company. There is absolutely nothing wrong with this idea and that is what members on this side of the house are very interested in assuring. We want to see moves made in this direction. As the hon. member for Broadview (Mr. Gilbert) just pointed out, we have to make up our minds fairly soon as to what we intend to do in this connection.

Bills of this type should not be passed by this house unless we attach limiting restrictions. This is the forum in which to debate these issues. I for one would be extremely happy to hear members on the government side of the house defend this continuing sell-out of Canadian industry and control to outside sources. Stand up in your seats and defend your positions, if this is government policy. We have seen too many instances where outside control has been disadvantageous to the nation. Either we take a stand very soon or it will be too late.

• (4:30 p.m.)

We have been warned. We have had the Watkins report on foreign ownership which went into all phases of economic control. It touches every facet of the Canadian economy.

We come back to the financial institutions. In this area we have had some control over ownership, and I think it has been good. But anyone who tries to divorce insurance companies, and the terrific power they wield by reason of the tremendous portfolios of investment which they hold, from the financial field is very foolish indeed. We have talked in this house about investment in Canadian industry. Here is a source of funds for investment in Canadian industry. I suggest that it is essential to have the insurance industry under Canadian control. This does not mean wiping out all foreign insurance companies. There is a host of them in Canada now, and they take dividends out of this country and control to a very great extent their extensive portfolios of investment. We are losing the battle for Canadian control of industry in this country by continuing the type of legislation that is before us this afternoon. Before resuming my seat, Mr. Speaker, I have one or two more things to say on this bill. I have said before, and say again—

Some hon. Members: Hear, hear.

Mr. Harding: —that I do not think private members in this house should have the right to introduce this type of insurance bill. If it is government policy, the government should be in a position to advance this type of legislation. If the government favours the incorporation of these companies, it should say so; it should be part of the government's over-all program and policy. But the government does not do this. It tries to sneak in through the back door legislation of this type, hoping there will not be in the chamber enough members who wish to speak against this loss to the Canadian economy.

I believe several hon. members wish to speak on the bill. I would like, Mr. Speaker, to make my position very clear. As a Canadian, I am sick and tired of seeing the old line parties allowing the resources of this country to get out of the control of the Canadian people. We are paying for this policy. We see fabrication taking place in other nations, when the emphasis should be on fabrication taking place in our own country, thus giving jobs to Canadians in the Canadian setting. The people of this nation are gradually waking up and demanding that something be done in this respect. If the Liberal government does not do something to bring about the repatriation of some of the Canadian economy, it will be thrown out of power so quickly that it will make its head spin.

People hoped that a new direction would be taken by this government. I suggest that as far as industry is concerned the government should lay down a solid, sensible program of investment and control. Let us know where the government is going in this respect. I suggest it should start with very important industries, of which the insurance industry is one.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am pleased to state my views on this bill, in order to complete its consideration.

I think that Bill S-11, as drawn up, is quite important. Like the previous speakers, I think that we are selling Canada piecemeal.

If we maintain that we must control our economy, those who are acquainted with the operations of the stock market and our economy will tell you that 69 per cent of our economy belongs to Americans and 31 per cent to Canadians.

This shows how healthy our administration has been, because we are selling Canada piecemeal.

We are now dealing with a big American company which wants to compete with other American and Canadian general insurance companies already in operation.

If my information is correct, in Canada there are about 292 companies selling insurance other than life insurance. Those American companies collect money in Canada for the benefit of the parent company established in the United States.

Someone wishes a child to be born in Canada, more precisely in Toronto, to collect money to be sent to the mother who lives in the United States. As an example, I will mention the Metropolitan Life Insurance Company, which, on the one hand, invested 4 per cent of its assets in Canada in 1967-68, and on the other hand, made about 16 per cent of its revenue here.

You can see how profitable it is, and what happens when competition exists. The provinces pass legislation on crop insurance. The federal government and some provinces want to establish medicare. And now, bills are introduced authorizing American companies to open subsidiaries in Canada, naturally for the benefit of the United States.

It is not that I bear American investors a grudge, but I think it is time to take our economy in hand. Government members should ask economists to "rack their brains" in order to create the $5 million in credit which would enable the company involved to set up an organization which, thanks to the productiveness of its premiums, could invest again in Canada and enable Canadians to profit by the "revolving" money which would be invested in our private and public institutions.

I did not want to delay too much the discussion, but I think those considerations are very important. As the previous speakers said, in the field of mines, trade, industry and natural resources, we have already "Americanized" enough. When we speak of investment, it is not a time to create a "dumping" of money in favour of Americans, but rather to keep the ownership on our economy, in order to be able to say one day that we are a strong people.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, unfortunately, I did not have the opportunity to prepare a speech on the bill before us.

I wish to welcome our new colleague the hon. member for Richmond (Mr. Beaudoin). Although he is not yet a member of the New

Democratic Party, maybe he will join our ranks before long.

• (4:40 p.m.)

[*English*]

I want to take a few minutes to say something about Bill S-11, to incorporate the Aetna Casualty Company of Canada. I took the opportunity to refer back to the minutes of proceedings of the Committee on Banking and Commerce of last October 23, at which time the subject matter of this Bill S-11 was before hon. Senators in the other place. It would seem that what is involved here is an attempt on the part of the Aetna Casualty Company to change the mode of operation of its Canadian branch and to change the form of incorporation. Rather than operate in Canada in the future as a branch of a U.S. company, it seeks now to become incorporated as a Canadian company. But it is interesting to note that even though the company will be registered as a Canadian company, and operating under Canadian law, it will still be owned in very large part, if not exclusively, by the U.S. parent company which goes by the same name.

It is also interesting to note that, according to the *Financial Times* of last year, the United States parent company is now facing litigation in the United States on anti-trust charges. Of course, one might argue that this problem of litigation facing the parent firm has nothing to do with the bill that is before us, but I think there is some relationship. It is certainly a point which hon. members should take into account when considering the pros and cons of Bill S-11, preliminary to deciding how they will actually vote on the bill.

Some hon. members might think that this is a very routine proceeding in which we are engaged, that some private member is simply sponsoring a bill to incorporate an insurance company or to change its charter. However, I suggest that it is not routine. There are many ramifications and implications for the whole Canadian economy. We know that insurance companies take their premium income and invest it in the economy, and that is fine. But we do not know specifically to what extent Canadian premium insurance dollars are being collected in Canada and invested abroad.

I suspect that the trend in the last four or five years has been a rather dramatic increase in the amount of Canadian insurance premium dollars collected from Canadians here and invested outside the country. Certainly, in February and March of 1967 there was a dramatic increase in the outflow of Canadian insurance premium dollars which were invested in the United States by companies operating here. So dramatic was this increase in February, March and April of 1967 that even our financial journals, such as the *Financial Post* and *Financial Times* were moved to comment about it on more than one occasion. We are often told that one of the great problems in our country is the reluctance on the part of Canadians to invest in risk enterprises. Sometimes we are presented with such a bald statement. The fact of the matter is that there would be much more investment by Canadians if there was a greater availability of stocks for purchase, and if Canadian insurance premium dollars were directed to investment in Canada.

I believe it is fair to say that very often potential Canadian investors cannot find an adequate supply of public stock. I know this might sound a little hard to believe but I think it is being said with more and more frequency, that there is actually a scarcity of public stocks on the market relative to the availability of investment capital. This is completely contrary to the conventional belief of the past decade that there is an under supply of Canadian investment capital. The situation seems to be exactly the reverse of what we are so often told.

I took a couple of minutes to make that point because it relates to the operation of insurance companies here in Canada. I noticed news items in the Ottawa *Journal* issues of February 5 and 6. These articles stated that in the Canadian insurance industry there has been quite a bit of activity lately and that some insurance companies have been engaged in take-over bids of other insurance companies. Apparently this has resulted in a rapid increase in share trading on the stock exchange in insurance company stocks. One is curious as to why Canadian insurance companies should, all of a sudden, be engaged in such takeover bids and stock market shenanigans. Certainly, this is what appears to be the case. There must be something of immediate private interest to insurance companies to cause them to change their articles of incorporation and their form of organization and operation. There must be some advantage to them in wishing to split their shares. All of these things make it a little easier for insurance companies to manipulate and manoeuver in subscribing for capital, and make it

easier for them to operate on the stock market. I do not know of what benefit this can be to the public interest or to the national economy as a whole. We do know that foreign investment in Canada has been a growing problem in the post-war decade. One or two Liberal cabinet ministers were brought to the point of stating it had become a matter of urgent national interest great enough to necessitate the appointment of a special commission to study it.

On reading the report of the Watkins commission and its recommendations, we find that indeed the problem of foreign ownership has increased drastically in our time. The prospects are that the problem will linger with us and get worse in the years ahead unless some concerted effort is made by the government to treat the problem of ever increasing foreign ownership of our natural riches and resources. So far, we have not had an indication from the government as to what it intends to do with respect to this specific and concrete problem. The validity of the words spoken by my colleague, the hon. member for Kootenay West (Mr. Harding) is fortified. He is suggesting to hon. members that it is not too late now for us to insist that the government have a policy and an attitude with respect to private bills which come before us week after week asking for the incorporation of new financial institutions and for a change in the mode of operation of insurance companies.

• (4:50 p.m.)

I do not think it is enough that bills of this kind should be introduced by private members and voted on by the small handful of members in the house at the time with the government adopting no attitude whatever toward them. I am sure that 30 or 40 years ago the government would have adopted a position of respectful neutrality toward private bills praying for the incorporation of financial houses or insurance companies. However, I do not think that sort of attitude is any longer valid, simply because the amount of capital accumulated by insurance companies in premium form has increased greatly in the past decade. It therefore follows that the amount of investment capital that insurance companies are able to marshal and invest in the way they so choose has a very direct and substantial effect on our entire national economic performance.

Let us look at the performance of insurance companies in Canada during the year 1967. In that year insurance companies invested something like 40 per cent of their investment portfolios in mortgages on real estate and homes. There is nothing wrong with this; indeed one hopes they will make even more of their investment portfolios available for mortgages, and in that way help play their part in solving the rather grave problem created by the housing shortgage in this country.

At the same time, these insurance companies have been rather pleased with the way they have been able to escalate the interest rate on mortgages accepted by them on real estate and homes. For example, the interest rate charged by insurance companies on mortgages all through the 1950's was of the order of 4 per cent, 4.3 per cent, 4.5 per cent and 4.6 per cent. By the early 1960's it had reached the 5 per cent level. However, in the past two years interest rates on mortgages in Canada have increased so greatly and irrationally that one can only say that these rates have run amok since early 1967.

The fact that insurance companies do have a large volume of capital available for mortgage investment has not seemed to make any difference to these rates. Therefore, I conclude that insurance companies operating in Canada have not been motivated by any desire to do what they can to hold the line on interest rates in this country. They have been as anxious as the rest, if not more so, to see interest rates escalate. Since nearly half of their investment portfolio is in the form of mortgages, the higher the interest rate, the better they like it.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

Some hon. Members: Continue.

Mr. Schreyer: Mr. Speaker, I hear some hon. members calling it five o'clock. I understand there is general agreement to call it five o'clock.

Mr. Speaker: Order. My understanding is that private members' hour started four minutes before four o'clock, on the understanding that the hour would expire after the normal allotted time. Therefore, I must bring to the attention of hon. members that the hour set aside for the consideration of private members' business has expired.

I understand the President of the Privy Council has an announcement to make.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, I should like to confirm that on Monday we will be on script as indicated in my announcement yesterday, starting with third reading of the precious metals marking bill and then going on to third reading of the bill dealing with the Freshwater Fish Marketing Corporation. Following that measure, we will call second reading of the bill to amend the Export and Import Permits Act. Assuming passage of that measure, we would then deal successively with items 33 and 41, third reading of the bill to amend the Aeronautics Act and third reading of the bill to amend the Navigable Waters Protection Act.

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

HOUSE OF COMMONS

Monday, February 10, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

MAINLAND CHINA—PROGRESS REPORT ON ESTABLISHING RELATIONS WITH PEOPLE'S REPUBLIC

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to give a brief statement to the house about the government's progress in establishing relations with the People's Republic of China. Our embassy in Stockholm has been instructed to get in touch with the embassy of the People's Republic of China in order to convey the Canadian proposal that talks concerning relations between the two countries be held at a mutually convenient time and place in the near future. I hope that before long we shall have a reply from the Chinese government and that representatives of our two countries can then begin to discuss the question of recognition of the People's Republic of China and the exchange of embassies between Ottawa and Peking.

We also hope to be able to take this opportunity to explore with Chinese officials the whole range of Sino-Canadian relations, and to discuss the possibilities for expanding and developing our relations in a number of areas. Even without diplomatic relations, we have been able to develop our trade, exchange correspondents between Ottawa and Peking, and increase contacts between Canada and China in a number of fields in recent years.

There will be a number of questions for our officials to discuss with the Chinese. It is not only a question of working out a satisfactory basis for recognition and the exchange of embassies, but of reaching agreement on a number of details relating to the operations of a Canadian embassy in Peking and a Chinese embassy in Ottawa. Since these questions are to be the subject of discussion, I do not think it would be appropriate to say any more about them now.

Mr. R. Gordon L. Fairweather (Fundy-Royal): First of all, Mr. Speaker, it is somewhat awkward to attempt to respond to a statement concerning the People's Republic of China without having notice, but I suppose members of parliament have been made aware, by statements, of the government's intentions in this regard. I would hope those countries of the world such as Italy, Belgium and Canada that are now engaged in serious negotiations with the People's Republic of China will be flexible enough so that the Nationalist government of China as represented in Taiwan will not by its action be outside the world community. However, presumably this would be a decision of the government of Taiwan and not a decision of the government of China.

• (2:10 p.m.)

Of course it is quite unrealistic for 700 million of the world's people to be outside the ordinary diplomatic exchanges among nations, and I think that anybody who has made a study of international matters feels that a change would have to be made, I personally hope the day will not be too far removed when the People's Republic of China can take its place as a member of the United Nations, because I believe that universality of membership in the United Nations is an objective that all countries should pursue.

Obviously the negotiations will take place in secret, but you know, Mr. Speaker, white papers do not have to be lengthy documents and it would be a help in a so-called participatory democracy if the government's intentions toward the People's Republic of China and the Nationalist government of China were made the subject of a white paper.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we of the New Democratic party welcome the announcement that has

been made today by the Secretary of State for External Affairs (Mr. Sharp). As the hon. member for Fundy-Royal (Mr. Fairweather) has just indicated because of reports in the press we have been aware of the moves the government has been taking. We are glad, however, to have this progress report made on the floor of parliament itself.

We wish the government well in the discussions into which it is now proposing to enter, and we hope they will be successful. We are glad to note that the discussions will be concrete, in that the government aims not just at formal recognition but at the actual exchange of ambassadors.

We would like also to support the plea made by the hon. member for Fundy-Royal, which we have made for years, that the Canadian government go the further step and urge that the government of the People's Republic of China be seated in the United Nations.

Any views that any of us have on this matter are entirely apart from any question of ideology. Whatever social or economic philosophy the people of Mainland China may be following, the fact is that they are 700 million people, a very large proportion of the world's population, and it has been quite unrealistic for them to be outside of the family of nations, in the way that has obtained for the past number of years. We welcome the statement; we wish the government success in these important negotiations.

CONSUMER AND CORPORATE AFFAIRS

AMENDMENT REQUIRING STATEMENT OF LIFE EXPECTANCY OF PRODUCTS

Mr. Barry Mather (New Westminster) moved for leave to introduce Bill No. C-169, to amend the Department of Consumer and Corporate Affairs Act.

Some hon. Members: Explain.

Mr. Mather: Mr. Speaker, very briefly the purpose of this bill is to benefit the consumers of Canada by requiring that the manufacturers and retailers of manufactured products, such as appliances, state at the point of sale the life expectancy of their products, thus informing the purchaser of what service timewise he or she is going to get for his or her dollar.

Motion agreed to, bill read the first time and ordered to be printed.

[Mr. Knowles (Winnipeg North Centre).]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

DEPARTMENT OF LABOUR PRESS RELEASES

Question No. 879—**Mr. Howard (Skeena):**

1. Does the Department of Labour issue documents which are of the nature of press releases, press communiques, news releases or the like and, if so, how many such documents have been issued since July 1, 1968?

2. What has been the cost of (a) printing headings or cover sheets (b) typing the stencils (c) mimeographing or other form of duplicating (d) collating and stapling (e) addressing and mailing the said documents?

3. With respect to the paper used for the said documents, what is (a) its quality (b) the quantity used and the cost thereof?

4. What is the estimate of the number of man-hours consumed in the preparation, production and distribution of such documents?

Mr. Jim McNulty (Parliamentary Secretary to Minister of Labour): 1. Yes, 66.

2. (a) $39; (b) Not applicable; (c) $60; (d) $140; (e) $25.

3. (a) No. 7 bond 16 lb.; (b) 125,000 sheets, $250.

4. 110 hours.

LODGING FOR VISITING PERSONNEL

Question No. 912—**Mr. Schreyer:**

1. Does any department of the federal government rent apartment suites or single dwellings for the purpose of providing lodging to out of town personnel, out of town departmental personnel, or foreign visitors?

2. If so, what departments have made such arrangements?

3. If so, how many such units have been rented or leased and what is the per unit rate?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. Yes.

2. (i) Department of Energy, Mines and Resources; (ii) Public Service Commission.

3. (i) One 10 room staff house at Elliot Lake, Ontario, leased at $135 per month; (ii) One apartment suite is leased in Toronto under the bicultural-bilingual exchange program at an annual rental of $3,636.

Two apartment suites are leased in Quebec City under the bicultural-bilingual exchange program, each at an annual rental of $3,300.

SALE OF LANGUAGE STUDY AIDS

Question No. 985—**Mr. Fortin:**

1. Does the Queen's Printer, or any other official of the government envisage the sale at a reduced price of records or other aids whereby the study of French or English could be brought within the reach of all Canadians and, if not, for what reason?

2. What is the government doing to make culture available to those of limited means, does the government have a policy on this matter and, if so, what is this policy?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Public Printing and Stationery and the Department of the Secretary of State as follows: 1. The Queen's Printer has no records or other aids available at the present time for the study of the English or the French languages.

The role of the Queen's Printer is to meet the publishing requirements of government departments, and no request has yet been received for the publishing of such material.

2. The Secretary of State Department through its associated agencies extends culture in a variety of ways to all Canadians.

The National Film Board provides a nation wide service by distributing films through film libraries to educational institutions, clubs, societies; the Canadian Broadcasting Corporation provides Canadians with a national broadcasting service in French and English, operating networks of television and radio stations and producing and procuring programs of information and entertainment; the National Library lends books to all libraries in Canada and provides reference services to institutions and private citizens; all accredited students and researchers have full access to the Public Archives; the National Museums collect, conserve, catalogue and exhibit objects all year round in their respective fields, conduct research, plan and execute static displays and travelling exhibitions and arrange lectures, guided tours, films slides and extension programs.

Books, monographs, brochures and catalogues are available free or at a nominal cost. The new National Arts Centre will present French and English performing arts to Canadians by subsidizing tickets to reduce rates. The Canada Council, through a system of grants and scholarships helps Canadians to study the arts, humanities and social sciences.

CANADIAN PAINT RESEARCH PROGRAM

Question No. 1,027—**Mr. Caouette:**

1. What was the total value of production and exports of the Canadian painting industry during the last fiscal year?

2. Does the government carry out any research in the field of paints in order to develop a Canadian technology?

3. Does the government subsidize the Canadian paint research program undertaken by the University of Toronto and, if not, will it consider subsidizing such research?

4. To the government's knowledge, has the University of Toronto received any grants for its Canadian paint research program from the Paint Research Institute of the Federation of Societies of Paint Technology or from the Canadian Paint Manufacturers Association, and were any such grants abolished in recent years?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Dominion Bureau of Statistics, the National Research Council and the Department of Industry as follows:

1. Information on the Canadian painting industry is available on a calendar year basis only:

	1966	1967
Manufactured goods (paint, putty, resins, etc.)	$200,950,000	$210,634,000*
Total shipments of all paints in Canada	187,148,000	—
Exports of "paint and related products"	2,084,000	2,062,000

* —preliminary

2. Research more or less directly related to paint technology is carried out in several government laboratories, including Building Research NRC, Applied Chemistry NRC, National Defence, Public Works Testing Laboratories, and the National Gallery. Expenditure for 1966-67 was about $190,000.

3. The National Research Council does not give subsidies nor grants to universities, but does make grants to individuals. Dr. J. E. Guillet of the University of Toronto holds research grants from federal government agencies which last year totalled about $35,000.

Questions

4. Yes. According to the latest information obtained by the Department of Industry, the University of Toronto has received from the Paint Research Institute of the Federation of Societies for Paint Technology financial support for one of its research programs for the years 1966-68. This program concerned photochemical reactions in polymers a field which has been considered to have importance to paint technology. The Federation of Societies for Paint Technology, in turn, receives support from the Canadian Paint Manufacturers Association and other Canadian paint associations.

It is understood that the Institute's grant to the University of Toronto is not being continued for 1969.

ECONOMIC EFFECTS OF CARTER COMMISSION

Question No. 1,111—**Mr. Gilbert:**

1. Did the Department of Finance commission six studies to be undertaken by the Institute for Policy Analysis of the University of Toronto regarding the economic effects of the recommendations of the Carter Commission on Taxation?

2. What were the general results of these studies on the economic effects of the Carter Commission recommendations?

3. As a result, were certain of the Carter Commission's recommendations adopted and did these studies confirm certain of the Carter Commission's views and, if so, what was the nature of each such recommendation confirmed?

4. Was the Minister of Finance aware of these studies and their conclusions prior to presenting his budget to Parliament on November 30, 1967?

5. Does the present Minister of Finance accept the general conclusions of the six studies sponsored by his Department?

Hon. E. J. Benson (Minister of Finance): 1. Yes.

2. These results are evident in the studies themselves, with suitable reservations about the assumptions and qualifications and they cannot readily be summarized.

3. The budget measures presented on October 22nd represented the views and conclusions of the Minister and the government not those of the Royal Commission, as was indicated in the Budget Speech. The Budget proposals were made after taking into account a wide range of views submitted to the Minister in letters and briefs as well as departmental and interdepartmental studies of the issues including academic articles and studies of the kind to which reference is made.

4. The studies were not completed by November 30, 1967.

5. The studies were prepared for the information and assistance of those working on tax reform measures in the government and others who are interested in the subject. The government's conclusions and views on these matters will be made known when it puts forward its own proposals for consideration.

HUMBER-ST. GEORGE'S-ST. BARBE, NFLD., POST OFFICES

Question No. 1,153—**Mr. Marshall:**

1. What post offices are to be closed in the electoral district of Humber-St. George's-St. Barbe in the Province of Newfoundland?

2. What is the reason in each case as to why such decision is being taken?

3. What was the annual revenue of each post office to be closed and cost of operation?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned:

1. Post Office	2. Reason for Closing	3. (a) 1967-68 Revenue $	(b) Cost of Operation $
Point-au-Mal	Limited usefulness	234.00	800.00
Fox Island River	Limited usefulness	49.00	600.00
Humbermouth-Corner Brook	Extension of Letter Carrier Delivery Service	5,280.00	6,818.00 PM's salary 3,758.04 Asst's salary 720.00 Rental 11,296.04
North Boat Harbour	Limited usefulness	110.00	800.00
Steady Brook	Limited usefulness	556.00	1,200.00

[Mr. Forest.]

TROIS-RIVIÈRES—DONNACONA WHARVES AND RETAINING WALLS

Question No. 1,164—**Mr. Matte:**

1. With regard to the construction of wharves and retaining walls along the North bank of the St. Lawrence River, between Trois-Rivières and Donnacona, in what projects has the federal government participated since 1963?

2. What was the total cost of construction, in each case?

3. What was the total of the government's contribution, in each case?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1 and 2. The Department has constructed retaining walls at the following locations:

Year	Location	Cost of Construction
1963–64	Champlain	$ 44,400
	Ste. Marthe Cap de la Madeleine	117,900
1964–65	Champlain	127,000
	Ste. Marthe Cap de la Madeleine	4,100
1965-66	Cap Sante	1,460
	Cap Sante	13,500
	Champlain	69,000
	Ste. Marthe Cap de la Madeleine	97,300
1966-67	Champlain	52,000
	Ste. Marthe Cap de la Madeleine	115,000
1967-68	Champlain	85,000
	Ste. Marthe Cap de la Madeleine	47,000

3. The federal contribution was 100% in all cases listed above.

[*English*]

GRANT TO NATIONAL HOCKEY TEAM

Question No. 1,181—**Mr. Woolliams:**

1. What control does the federal government have over the allocation of the $200,000 grant that they are making to Canada's National Team?

2. What is the money being used for and what is the budget of the National Team and just who is on the payroll and for how much?

3. Is there now an agreement for the National Team to be taken out of the hands of the Canadian Amateur Hockey Association at the end of this season and, if so, in whose hands will it be?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The Federal grant to assist Canada's National Hockey Team is paid in the form of advances to the Canadian Amateur Hockey Association in meeting a budget previously approved by the Government on the recommendation of the National Advisory Council on Fitness and Amateur Sport.

2. The authorized budget is attached. It is not customary for the Canadian Amateur Hockey Association to divulge details of its payroll except to its own membership.

3. Arrangements are now in progress for Hockey Canada Incorporated to take over the management and operation of the National Team Program.

NATIONAL HOCKEY TEAM BUDGET
1968-69 SEASON

	West $	East $
Management and Operating Expenses		
Promotion, advertising, etc.	3,500	3,500
Audit (both teams)	1,500	
Equipment purchases	7,000	7,000
Ice Rental, practices	2,000	2,000
Management salaries, incl. managers, coaches, trainers, office staff	34,000	27,800
Management travel and expenses, including scouting trips, etc.	7,000	3,400
Office Rent	300	500
Printing, Postage and office Supplies	1,600	1,600
Telephone and Telegraph	3,000	1,000
Trainer Supplies	1,800	1,500
Insurance, travel, accident on players	1,350	1,350
Miscellaneous including medical, repairs and maintenance	3,933	3,455
Total Expenses	66,983	53,105

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Game and Training Camp Expenses	West $	East $
Training Camp: Transportation, 80 players	4,000	4,000
Meals and Accommodation, 80x10x$12	4,800	4,800
Miscellaneous expenses	500	500
Games in Canada: Transportation	23,500	17,500
Meals and Accommodation on road	5,200	5,200
Games Expenses including Referees, and Miscellaneous	2,000	2,000
Total Training Camp, Game Expenses	40,000	34,000
Overseas Game Expenses:		
Transportation: three tours including World Championships, Prague	35,000	15,000
Player Expenses, including scholarships	90,000	80,000
Total Expenses	231,983	182,105
Total program, West, East		414,088
SUMMARY OF REVENUE:		
Games in Canada, approximately 40 in total	80,000	60,000
January International Tournament	12,000	12,000
Games overseas	16,000	20,000
Games prior to Championships in Prague	6,000	
Total Team Revenues	114,000	92,000
Total combined Revenue	$206,000	
Proposed Federal Government Grant	200,000	
CAHA and other sources	8,000	
Total	$414,000	

COQUALEETZA HOSPITAL, SARDIS, B.C.

Question No. 1,190—**Mrs. MacInnis (Vancouver-Kingsway):**

1. What is the patient-capacity of the federally-owned Coqualeetza Hospital near Sardis, British Columbia?

2. What has been its daily average of patients since January 1, 1967?

3. Has the federal government initiated talks with the Government of British Columbia with a view to having the provincial government take over this hospital for either extended care patients or as a mental hospital?

4. If so, when were these talks initiated?

5. What was the response of the provincial government to the offer of the federal government?

6. Is the provincial government prepared now to take advantage of the federal government's willingness to turn over the hospital to the Province?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The present rated capacity of the Coqualeetza Indian Hospital is 95 beds.

2. 1967, 84 patients; 1968, 45 patients.

3. The Minister of Health Services and Hospital Insurance of the Province of British Columbia initiated discussion concerning the future of the Coqualeetza Hospital and its possible use as a mental health and geriatric facility. These talks followed upon the continuing liaison carried on at the operational

level concerning the appropriate method of hospitalizing within the existing system of hospitals the Indian patients in British Columbia requiring tuberculosis or mental hospitalization.

4. April, 1968.

5. It was apparent that a careful study was required of a number of factors bearing upon the best future use of the hospital. These factors relate to the integration of the hospital into the total health care system, the selection of an agency to operate the hospital, future financing of the hospital and the suitability of the building itself for various possible uses. Rather than "a response to an offer" there was agreement to carry out such a study prior to further action.

6. The Province continues to show an interest in acquiring the hospital.

Questions

PRODUCTION AND EXPORT OF ELECTRICAL POWER

Question No. 1,194—**Mr. Caouette:**

1. What amount of electrical power was produced in the Province of Quebec in 1965, 1966, 1967 and 1968 and what percentage was exported?

2. What amount of electrical power was produced in the Province of Ontario in 1965, 1966, 1967 and 1968 and what percentage was exported?

3. What amount of electrical power was produced in the Province of British Columbia in 1965, 1966, 1967 and 1968 and what percentage was exported?

4. What amount of Canadian produced electricity was exported to the United States?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry and Commerce): The Dominion Bureau of Statistics reports that: 1. Electric Energy in the Province of Quebec:

Year	Produced 000's Kwh.	Exported to U.S.A.	Deliveries to other Provinces	Export + Deliveries to other Provinces
		Percentage of Production		
1965	57,004,835	0.08	8.63	8.71
1966	62,741,625	0.04	10.04	10.08
1967	63,884,038	0.04	8.27	8.31
1968 (prelim)	64,983,106	0.06	7.48	7.54

2. Electric Energy in the Province of Ontario:

Year	Produced 000's Kwh.	Exported to U.S.A.	Deliveries to other Provinces	Export + Deliveries to other Provinces
		Percentage of Production		
1965	44,858,009	6.90	0.61	7.51
1966	48,583,007	6.68	0.26	6.94
1967	52,106,559	5.95	0.31	6.26
1968 (prelim)	56,076,755	4.51	0.52	5.03

3. Electric Energy in the Province of British Columbia:

Year	Produced 000's Kwh.	Exported to U.S.A.	Deliveries to other Provinces	Export + Deliveries to other Provinces
		Percentage of Production		
1965	18,831,987	1.63	0.06	1.69
1966	21,055,699	3.86	0.03	3.89
1967	21,594,526	2.47	0.02	2.49
1968 (prelim)	23,005,994	3.06	0.10	3.16

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4. Exports of Electric Energy from Canada to U.S.A.:

Year	000's Kwh.
1965	3,684,121
1966	4,397,333
1967	3,993,888
1968 (preliminary)	3,647,550

[*English*]

POST OFFICES CLOSED IN SASKATCHEWAN

Question No. 1,202—**Mr. Gleave:**

1. How many post offices have been closed in Saskatchewan since September 1968?

2. How many post offices are scheduled to be closed in the Province of Saskatchewan during 1969?

3. Where are they located and what is the reason for the closure of each?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. Fourteen.

2. Eleven.

3. (a) Cymric, Leney, Oakshela, Battrum, Calderbank, Halvorgate, Mutrie, Strong Pine, Feudal, Battle Creek, Beaver Flat. (b) Due to limited usefulness in each case.

CANADIANS ON U.S. QUOTA BASIS

Question No. 1,212—**Mr. Woolliams:**

1. Has the government any knowledge of a new Immigration Act which recently became law in the United States placing Canadians on a quota system with peoples of other nations?

2. What is the quota for Canadians wishing to go to the United States to live and work on a permanent basis?

3. Has the Canadian Government protested to the American Government that Canadians are having to wait seven months to a year before they are advised whether they can be admitted to the United States?

4. What is the average time taken to process applications by Americans wishing to live and work in Canada on a permanent basis?

5. Has the Canadian Government received complaints from various corporations and industrial concerns in Canada that this new immigration legislation in the United States is discriminating against Canadians going to the United States to take employment?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of External Affairs and Manpower and Immigration as follows: 1. The Canadian Government has been aware of the possible imposition of a ceiling on Western Hemisphere immigration into the U.S.A. since the relevant legislation was first introduced in the United States Congress in 1965. The ceiling came into effect on July 1, 1968.

2. While an individual quota has not been established for Canada or the other countries concerned, an aggregate quota has been imposed limiting immigration from all independent Western Hemisphere countries collectively to 120,000 per year.

3. The Canadian Government places a high value on the traditional absence of any numerical restrictions on the freedom of movement of citizens of Canada and the United States across our shared international border. It is therefore the view of the Canadian Government that the introduction of a numerical limit on the movement of people between the two countries is regrettable in principle and sets an unfortunate precedent. The views of the Canadian Government were made known to the United States Government when the law was introduced in 1965 and again in 1968.

4. On the average, it takes approximately three months from the date on which a formal application is first received from an American citizen until the granting of landed immigrant status can be authorized.

5. No.

INCOME TAX RECEIPTS

Question No. 1,222—**Mr. Matte:**

1. During the last fiscal year, what was the total amount of personal income tax received by the government from all parts of Canada?

2. What is the total amount of personal income tax received by the government from the Province of Quebec?

Hon. Jean-Pierre Côté (Minister of National Revenue): The information is not available in the form requested. However, the following information is provided: 1. Federal personal income tax assessed for the 1967 taxation year, exclusive of Old Age Security tax, for all parts of Canada amounted to $2,717,246,000.

2. Federal personal income tax assessed for the 1967 taxation year, exclusive of Old Age Security tax, attributable to the Province of Quebec amounted to $502,436,000.

R.C.M.P. PERSONNEL

Question No. 1,229—**Mr. Robinson:**

1. How many members of the R.C.M.P. are (a) officers (b) non-commissioned officers (c) constables?

2. How many R.C.M.P. personnel have left the service during each of the years 1960-68 inclusive?

3. How many R.C.M.P. personnel have been recruited into the service in each of the years 1960-68 inclusive?

4. What are the five most common reasons given for leaving the service, apart from retirement according to policy?

Hon. G. J. McIlraith (Solicitor General): 1. (a) 230 officers; (b) 3,136 non-commissioned officers; (c) 5,193 constables.

2. Number of R.C.M.P. personnel who have left the service during each of the years 1960-68 inclusive, including retirement, are as follows: 1960-61, 247; 1961-62, 289; 1962-63, 278; 1963-64, 287; 1964-65, 325; 1965-66, 414; 1966-67, 394; 1967-68, 365; 1968-69, 252.

3. Number of personnel recruited into the service in each of the years 1960-68 inclusive, are as follows: 1960-61, 526; 1961-62, 587; 1962-63, 629; 1963-64, 370; 1964-65, 592; 1965-66, 741; 1966-67, 976; 1967-68, 862; 1968-69, 621.

4. (1) For other employment. (2) Release because of marriage prior to meeting Regulation requirements. (3) For higher pay than is provided by the Force. (4) Domestic problems. (5) To obtain a higher education.

NATIONALIZATION OF CAPE BRETON DEVELOPMENT CORPORATION

Question No. 1,236—**Mr. Fortin:**

1. Has the Cape Breton Development Corporation completed nationalization proceedings and, if not, when will they be concluded?

2. Have the shares or the property of nationalized firms been purchased?

3. What was the book value of each of these firms at the time of purchase?

4. What criteria were used in the evaluation of such properties?

5. Were the former owners paid in cash or in interest bearing bonds?

6. What amount was paid by the Cape Breton Development Corporation for the purchase of each firm?

7. Has the Cape Breton Development Corporation taken advantage of section 10 of its Act concerning expropriation and, if so, what is the present stage of the proceedings?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): 1. See No. 7 below.

2. No.

3. Not applicable.

4. See No. 7 below.

5. Not applicable.

6. Not applicable.

7. The properties of the "Companies" mentioned in Section 2(d) of the Cape Breton Development Corporation Act were expropriated by the Corporation on March 30, 1968 pursuant to Section 10 of that Act. Evaluation of the companies' properties is still being made according to the criteria set forth in Section 12 of the CBDC Act. Settlement action will be considered when this evaluation has been completed but at this stage it is impossible to supply an estimate of when all proceedings may be concluded.

[*English*]

BILINGUAL MEAT INSPECTION MARK

Question No. 1,244—**Mr. Fortin:**

1. Does the government intend to amend paragraph 5 of section 8 of the Meat Inspection Regulations in order to provide that the inspection mark be in both English and French and, if not, for what reason?

2. What is the present stage of the study on the printing of labels in both official languages undertaken by the Department of Consumer and Corporate Affairs?

3. Will this report be laid before the House and, if not, for what reason?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Agriculture and Consumer and Corporate Affairs as follows: 1. Section 8 of the Meat Inspection Regulations deals with the application for registration under the provisions of the Meat Inspection Act and there is no paragraph 5 in that Section.

The Meat Inspection mark is provided for in part 4 Section 68 of the Meat Inspection Regulations. This section was amended on December 8, 1965 to provide for a redesigned Meat Inspection mark bearing only the word Canada together with the establishment number in figures.

Paragraph 5 of Section 68 which required the legend mark to be in English was revoked on December 8, 1965.

The original legend bearing the words "Canada Approved" was left in the regulations in order to provide for a transition period from the English language legend to the one bearing only the word Canada.

2. Preliminary discussions have taken place with a number of trade associations on the subject of the use of both official languages on labels in order to ascertain the extent to which bilingual labels are now used and to consider the technical, marketing, legal and graphic problems encountered in

bilingual labelling. The discussions are informal and exploratory and consideration has not so far been given to the preparation of a report on the subject.

3. Answered by No. 2.

WELFARE MINISTERS CONFERENCE

Question No. 1,246—**Mr. Fortin:**

1. What were the results of the Welfare Ministers' conference held January 16 and 17, 1969?

2. Does the government intend to establish a national legal-aid program to ensure that all citizens are equal before the law and, if not, for what reason?

3. What study groups were established and what was their membership and terms of reference and when will they report to Parliament?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1. The federal-provincial conference of Ministers of Welfare, which is now being held annually, was convened to consider a number of problems of mutual interest in the social welfare field. Major attention was given to the Canada Assistance Plan. The ministers agreed to collaborate in a variety of activities aimed at making their welfare programs more effective, particularly as they affect disadvantaged and alienated persons. They agreed to set up a number of task forces, working groups, and intergovernmental committees to achieve these objectives. The question of Indian welfare was considered, and the Ministers of National Health and Welfare and of Indian Affairs and Northern Development repeated the federal government's offer to the provinces to share in the costs of welfare programs to ensure that Indians would receive the same level and quality of services provided to other residents of the province. It was agreed that continued negotiations would be held on this subject.

2. The question of federal support to provincial legal aid programs was discussed, but no conclusions were reached. Further consideration will be given to this subject at future conferences. The question of the establishment of a national legal aid program was not discussed. If and when any action is taken in this matter, it will be announced to parliament in the usual manner.

3. It was agreed that three study groups would be set up. The first will develop a research program on alienation as it relates to social assistance recipients. The second will study the possibility of a developmental approach to public assistance, with the aim of directing the major public assistance programs toward the rehabilitation of those who have a potential for complete or partial self-support. A study will also be undertaken of cost factors in social assistance, with special attention being given to improved financial and statistical reporting and better methods of analyzing caseloads and the factors contributing to rising assistance costs.

The determination of the terms of reference and membership of these study groups is being worked out in collaboration with the provinces. Reports of the studies will be made to a conference of federal and provincial Ministers of Welfare.

[*English*]

RETRAINING COURSES IN ADDITIONAL LANGUAGES

Question No. 1,250—**Mr. Noble:**

Is it the intention of the government to offer retraining courses in languages other than English and French, as suggested by the International Labourers' Union?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The Department of Manpower and Immigration does not intend to offer retraining courses in languages other than English and French. All occupational training purchased by the Department of Manpower and Immigration for adults to be placed in such training by Canada Manpower counsellors is provided in French or English.

GEORGE BROWN COLLEGE—LANGUAGE CAPABILITIES OF APPLICANTS

Question No. 1,254—**Mr. Noble:**

How many applicants for the 29 vacant places in the eight week retraining programme at George Brown College in Toronto are being refused because of an imperfect command of the English language?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): No applicants for these vacant places have or will be refused because of an imperfect command of the English language.

AUTHIER, QUE.—PUBLIC BUILDING

Question No. 1,255—**Mr. Laprise:**

1. Has the Department of Public Works purchased land in Authier, constituency of Abitibi, Que., in order to construct a public building and, if so (a) what price was paid for the land (b) how does the Department intend to use it?

2. Does the Department of Public Works own any other undeveloped land in the constituency of Abitibi and, if so (a) where are the lots located (b) how much was paid for them (c) how are they to be used?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): 1. Yes. (a) $850; (b) No decision has been made since this project was deferred because of the cancellation of the winter works programme.

2. Yes. (a) One lot at Taschereau; (b) $500; (c) It is proposed to erect a standard plan post office on that site.

[*English*]

EMIGRATION INFORMATION

Question No. 1,260—**Mr. Beaudoin:**

1. Since 1960, by year, how many persons have emigrated from Canada?

2. To what countries did such persons emigrate?

3. What was the occupation in Canada of each such person who emigrated in 1968?

4. What was the average age of those who have emigrated since 1960, by year?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of statistics reports that:

1. Emigration from Canada

Calendar Year	To United States	To United Kingdom
1960	48,682	11,306
1961	45,209	10,344
1962	47,579	7,432
1963	51,512	5,240
1964	49,995	9,776
1965	49,656	10,241
1966	28,837	9,246
1967	38,854	10,066

Source: (a) Immigration and Naturalization Service, Department of Justice United States. (b) General Register Office, United Kingdom.

2. Information only available for the United States and the United Kingdom.

3. Immigrant aliens admitted to United States whose last permanent residence was

Questions

Canada, by major occupation group, 1967 (latest available):

Total	38,854
Professional, technical, and kindred workers	6,519
Farmers and farm managers	36
Managers, officials and proprietors, except farm	1,028
Clerical and kindred workers	2,051
Sales workers	494
Craftsmen, foremen and kindred workers	3,051
Operations and kindred workers	1,383
Private household workers	355
Service workers, except private household	1,380
Farm labourers and foremen	57
Labourers, except farm and mine	809
No occupation	21,691

4. Average age of emigrants from Canada to United States, 1967=25.7

Note: This information is available only for emigrants to United States and for the year 1967.

[*English*]

YARMOUTH, N.S., NEW START PROGRAM

Question No. 1,319—**Mr. Comeau:**

1. (a) Was office accommodation for the New Start Programme offices at Yarmouth, Nova Scotia, and at Lac Labiche, Alberta (i) purchased or (ii) rented, if (i), what was the total purchase price in each instance, if (ii), what is the annual rental in each instance (b) was office equipment, furniture etc. purchased or rented for these two New Start offices and at what cost in each instance and was re-decoration carried out in either or both of these two offices and, if so, at what cost (c) has any other property, building, vehicle or other similar major item been purchased in connection with the operation of either office and, if so, at what cost?

2 (a) How many persons are directly employed as part of the New Start Programme in the Province of Nova Scotia (b) what proportion of the budget for New Start operation in Nova Scotia is accounted for by (i) salaries and wages, and (ii) capital expenditures?

3. (a) How do the wages and salaries in each category of employment of the New Start Programme in Nova Scotia compare with national, provincial and local wage and salary scales (b) was any attempt made by those responsible for hiring personnel for employment with "New Start" in Nova Scotia to adjust wage and salary scales at a level with those prevailing locally?

Orders for Returns

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): A NewStart corporation is an autonomous, non-profit company set up under the provincial legislation of the province in which it operates, and requests for information about its internal management should therefore be made to the corporation concerned.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SASKATOON, SASK.—RENTALS OF SPACE

Question No. 886—**Mr. Gleave:**

What Departments of Government and Crown Corporations rent or lease space in the City of Saskatoon, Saskatchewan (a) for how long (b) from whom (c) at what yearly cost?

Return tabled.

THE PRIME MINISTER—LIVING AND MAINTENANCE EXPENSES

Question No. 1,063—**Mr. Beaudoin:**

For each of the years since 1961, what amounts were allocated by the federal government as living expenses for the Prime Minister and for the maintenance and operation of his residence and household, apart from his salary?

Return tabled.

HOLDINGS OF SHARES IN BROADCASTING STATIONS

Question No. 1,161—**Mr. Mather:**

1. What are the regulations governing the holding of shares in Canadian radio and television broadcasting stations by non-Canadian corporations?

2. Have special arrangements been made by the CRTC with regard to the amount of stock held by non-Canadians in the Canadian Marconi Co. Ltd. and its broadcasting division, CFCF Radio (A.M. and F.M.); and CFCF TV?

3. If exceptions have been made in respect to the regulations in this regard, on what basis or for what reasons was this done?

Return tabled.

RAILWAY TRACKAGE OF CANADIAN RAILWAYS

Question No. 1,274—**Mr. Matte:**

In each province, what is the total length of railway track owned by the CNR and by the CPR?

Return tabled.

[Mr. Comeau.]

ORAL QUESTION PERIOD

INDIAN AFFAIRS

SEIZURE OF GOODS IMPORTED UNDER JAY TREATY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Acting Prime Minister and the Minister of National Revenue. It has to do with the seizure of a truck and commodities thereon brought in from the United States by Indians claiming their rights under the Jay treaty of over 150 years ago. Would the government advise whether or not this very harsh treatment of seizure under the particular circumstances will be ameliorated by a withdrawal of the seizure? After all they were our allies for generations.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, I do not know how much the government knows about this, but I think we ought to have—

Mr. Speaker: Order, please. The right hon. gentleman knows that even if the government does not know as much as it ought to in questions of this kind, the right hon. gentleman is allowed to ask the question but not to convey the information.

Mr. Diefenbaker: I do not want to convey any information. I simply ask this: First, will this harsh treatment be immediately avoided by a release of the truck and also the goods seized? Secondly, in view of the fact that the treaty rights with Indians should be upheld, even though juristically they are not in effect, does the government intend to respect the Jay treaty and the rights of these Indians by bringing in legislation to actually rectify our failure over the years to approve the Jay treaty?

[*Translation*]

Hon. Jean-Pierre Côté (Minister of National Revenue): I do not know whether that question should be directed to me or to the Acting Prime Minister but, as far as the Department of National Revenue is concerned, it only enforces the law which does not contain any treaty. As for the incident of the seizure of the truck, officials are considering the consequences of that action.

[*English*]

Mr. David Orlikow (Winnipeg North): I have a supplementary question, Mr. Speaker. I should like to ask the Minister of National Revenue whether the policy of applying the

law of which he speaks is one which has been followed over the last number of years, or whether it is a policy which has just been operative in recent times.

[*Translation*]

Mr. Côté (Longueuil): I do not think that is a new policy, Mr. Speaker. A certain custom might have been condoned in the past concerning some Indians in the area, because it is well known that in some houses, the living room is in Canadian territory while the kitchen is in American territory. It is rather difficult to control all that, but upon my return from hospital, I knew that there had been some problems about certain customs. Anyhow this whole problem is under consideration.

[*English*]

LABOUR RELATIONS

KELVINATOR COMPANY—REPRESENTATIONS RESPECTING LAY-OFFS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it was my intention to address this question to the Minister of Manpower and Immigration. In his absence perhaps I might put it to the Minister of Labour. In view of the fact that more than 300 workers of the Kelvinator Company of Canada at London received lay-off notices last week, and in view of the fact there has been a recent change in the ownership of this company, will the government make representations to the parent company in the United States in the hope that these workers might not lose their jobs?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, the question has already been brought to the attention of the Minister of Manpower and Immigration by one of the members on this side of the house. I understand that representations are also being made by the department to prevent, if possible, these lay-offs and, in the event the lay-offs are inevitable, at least to make the transition for these people much easier through the services of the manpower department.

[*Later:*]

Mr. Mackasey: Earlier, Mr. Speaker, I was asked a question about the lay-off at the Kelvinator Company. I was somewhat ambiguous in my answer but I should like to be more specific. I said the matter was brought to my attention by a member on the government side. I should have said it was brought to my attention by my hon. friend from London East (Mr. Turner).

Inquiries of the Ministry

EXTERNAL AFFAIRS

MIDDLE EAST—EXTENSION OF PRIVILEGES TO JEWISH REFUGEES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, the Secretary of State for External Affairs will remember that I asked last Monday about the possibility of Canada admitting Jews from certain Middle East countries. Apparently the Jewish people of Iraq are particularly vulnerable at this time and I should like to ask the minister for a progress report.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, since this question was raised in the house the government has received a number of representations from the Canadian Jewish Congress and also from certain associations of Protestant churches, which have supported the plea that Canada take measures to provide a home for these Jewish people of various countries of the Middle East. These groups will be meeting this week with the Minister of Manpower and Immigration, and probably myself, to discuss how best we can take effective action. It is most important to realize, as I am sure my hon. friend knows, that we want to take action of a kind that will be most helpful to the people concerned, and will not result in any reprisals or any other actions that would be detrimental to their interests.

DOMINION-PROVINCIAL CONFERENCE

SUBMISSION OF NEW TAX-SHARING PROPOSALS

Mr. G. W. Baldwin (Peace River): In the absence of the Prime Minister and the Minister of Finance who are in another place—not the other place—I should like to ask the Acting Prime Minister whether the government of Canada will have new proposals to make to the federal-provincial conference on the matter of tax-sharing?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As the Prime Minister made very clear at the conference this morning, which I had the privilege of attending, all matters affecting the division of powers both on the spending and taxation side are open for discussion at this conference. He said he would welcome just as open a discussion on these matters as he would on other matters in respect of which there are specific proposals from the federal government.

Inquiries of the Ministry

FINANCE

CANADIAN REPRESENTATION AT BASEL BANKERS MEETING

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I should like to ask the Acting Prime Minister whether Canada was represented at the meeting of western central bankers at Basel which is reported as having reached an agreement on a plan to combat the flows of speculative funds from one country to another, and did we agree to the plan?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to take this question as notice in order that my colleague the Minister of Finance can answer with authority.

TRANSPORT

NORTHUMBERLAND CAUSEWAY—ANNOUNCEMENT RESPECTING CONSTRUCTION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask the Minister of Public Works whether the government will be taking the opportunity this week, while the premier of Prince Edward Island is in Ottawa, to make a full and clear statement on action in respect of the construction of the Northumberland Strait crossing?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I saw in the press that the Premier of Prince Edward Island indicated that he is desirous of meeting a group of cabinet members when he is here, and I imagine that may be one of the matters he will want to discuss. I would think that an early, definite statement in respect of the crossing could be expected.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister in this connection? Has he any information with regard to meetings that will be held by the government with the Atlantic premiers, apart from the conference itself, on such matters as Atlantic union, transportation, and things that are important to those provinces?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am quite satisfied that the premiers of those provinces would not lose an opportunity of making their views known to the government, and I am sure members of the government would be very happy to hear what they have to say while they are in Ottawa.

Mr. Bell: Mr. Speaker, can I take it that the government is also interested, and will show some leadership, in the matters I have mentioned, namely transportation, Atlantic union and other questions important to the Atlantic provinces?

POST OFFICE DEPARTMENT

EFFECT OF RATE CHANGES ON NON-PROFIT PUBLICATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Postmaster General. Has the minister received representations from non-profit organizations, such as professional groups like doctors, church groups, co-operatives, trade unions and the ethnic press, to the effect that the new postal rates will mean the end of many of their publications, and difficulty for all their publications?

Mr. Speaker: Order, please. The question as asked is not in order. It is not sufficient to ask what representations have been received by a minister.

[*Later:*]

Mr. Orlikow: Mr. Speaker, I wonder if I could rephrase the question I tried to ask the Postmaster General, and ask the minister whether he is reviewing the new postal rates set for non-profit publications, in view of the difficulties being experienced by these publications.

Hon. Eric W. Kierans (Postmaster General): The answer is no, Mr. Speaker. I suggest that all of those who support various non-profit organizations take account of the increased costs of their projects.

NEGOTIATIONS RESPECTING FIVE-DAY DELIVERY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Postmaster General. Is the minister now in a position to report any progress in his discussions with the leaders of the postal workers unions on the question of five-day delivery?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I met on Thursday for a lengthy period with the national council of the two unions. I am at their disposal. They are continuing their own discussions. I expect, or hope, that I will have something to say tomorrow.

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a supplementary question for the Postmaster General. As a result of his discussions with the unions, is the government or his

department contemplating giving mail delivery to businesses and retail establishments on a six-day basis?

Mr. Kierans: No, Mr. Speaker; the question of extending the five-day week has not come up.

AGRICULTURE

P.F.A.A.—INQUIRY AS TO FINAL PAYMENT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the limited number of inspections under P.F.A.A., when does the department expect to complete payment to those eligible for payment?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, no specific date can be given at this time. Some of the inspections had to be delayed because harvesting was not completed last fall in some of the townships. The severely cold weather in the area until a very few days ago also prohibited the normal inspections that would have gone forward at that time.

TASK FORCE—PUBLICIZING OF RECOMMENDATIONS BEFORE AGRICULTURAL CONFERENCE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I direct my question to the Minister of Agriculture. In view of the fact that some reports of the task force on agriculture have been made public, is it the policy of the minister to release to the public all the papers of the task force on agriculture prior to the agricultural conference in late March?

Mr. Speaker: Order, please. The hon. member is asking the minister to make a policy statement. The question as asked is not in order.

Mr. Gleave: May I rephrase my question, Mr. Speaker? Will the minister release these policy papers to the public prior to the conference in late March?

Mr. Olson: They are not policy papers; they are position papers containing findings and some alternative recommendations of the task force. It is our hope that all nine of them—I believe there are nine separate papers—will be ready and translated so that we can distribute them to the approximately 400 delegates who will be invited to attend the agriculture congress. When they are released or sent to the delegates who will be attending, I see no reason why all members of this house, and indeed the press, should not have copies of them also.

Inquiries of the Ministry

CONSUMER AFFAIRS

TETRACYCLINE—EVIDENCE OF PRICE FIXING

Mr. James A. McGrath (St. John's East): In the absence of the minister, my question is for the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs. Does the government have any evidence of price fixing in Canada on the part of companies manufacturing the drug tetracycline, and if so what action is the government contemplating?

Mr. Speaker: Order, please. The question should be placed on the order paper.

EXTERNAL AFFAIRS

MAINLAND CHINA—MAINTENANCE OF PRINCIPLES OF HUMAN RIGHTS DECLARATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Secretary of State for External Affairs based on the important announcement he made today in connection with the discussions which are to take place with the People's Republic of China. In any such discussions would the government of Canada bear in mind the principles of national self-determination, nuclear non-proliferation, and other principles contained in the universal declaration of human rights?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I can say to the hon. gentleman that one of the purposes Canada has in mind in establishing relations with the people who are under the control of the government of the People's Republic of China is to facilitate the sort of international discussion that has produced the nuclear non-proliferation treaty and the declaration of human rights. By bringing about a closer relationship with the government of that country we hope we can promote the acceptance of these principles in that area, as well as in other parts of the world.

Mr. Baldwin: I have a supplementary question, Mr. Speaker. The minister did not deal with the third proposition I put before him, that of national self-determination, which I think is of some importance.

Mr. Sharp: I certainly did not mean to overlook that. It is the very foundation upon which relations between states are based, and certainly we hope that the government of the People's Republic of China will support that principle as strongly as we do.

Inquiries of the Ministry

[*Later:*]

Hon. J. A. MacLean (Malpèque): Mr. Speaker, I have a supplementary question for clarification. The Secretary of State for External Affairs said, in answer to an earlier question, that it is the intention of the government to exchange diplomatic relations with Mainland China, as if this were a firm decision. Will this not be dependent on negotiations that are to take place, and also to some extent on the terms to be agreed?

Mr. Sharp: Mr. Speaker, I have indicated on a number of occasions, and so has the Prime Minister, that it is the purpose of this government to establish relations between Peking and Ottawa and to exchange diplomats. Whether we achieve that purpose will of course depend not only upon our own actions but upon actions of the People's Republic of China.

Mr. Jack McIntosh (Swift Current-Maple Creek): I have a supplementary question. Could the Secretary of State for External Affairs assure the house and the people of Canada that such an agreement between Mainland China and Canada will not be at the expense of the government of Taiwan?

Mr. Sharp: I have dealt with this question on a number of occasions and really have nothing more to add to what I have already said.

VETERANS AFFAIRS

FEASIBILITY STUDY OF GUARANTEED ANNUAL INCOME

Mr. Max Saltsman (Waterloo): I should like to direct my question to the Minister of Veterans Affairs and ask him whether he or his department is giving any consideration to a feasibility study of a guaranteed annual income for veterans.

Mr. Speaker: Order, please. The hon. member is asking a question of very wide scope. He is asking the minister to give a policy statement, which, I suggest to him should not be done at this time.

Mr. Saltsman: I wonder if I might make my question a little more specific and ask the minister whether he is considering the question of a guaranteed income for veterans.

Mr. Speaker: I am afraid the second question appears to be very much like the first one, and I suggest to the hon. member that the rules applying to the second question apply to the first one, and vice-versa.

[Mr. Sharp.]

NATIONAL DEFENCE

NATO—DENIAL OF ACCESS TO BERLIN

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Has Canada been participating in the talks or consultations which West Germany has been holding with her western allies over East Germany's restrictions on access to Berlin, and what is the Canadian government's position in regard to the latest attempt to deny access to that city?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We have been kept informed of these discussions through our membership in NATO. Since we are not one of the four powers involved, we have not been direct participants in the discussions, so it has not been necessary for us to take a position.

FISHERIES

IMPLEMENTATION OF 12 MILE EXCLUSIVE ZONE

Mr. David Anderson (Esquimalt-Saanich): I have a question for the Secretary of State for External Affairs. Has the Canadian government obtained the views of the new United States administration on the implementation by Canada of the 12 mile Canadian exclusive fishing zone?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We have not entered into discussions with the new United States administration. There have of course been a number of consultations with the United States government in this field over a number of years, but not recently at a ministerial level.

Mr. Anderson: I have a supplementary question, Mr. Speaker. Can we assume from the minister's reply that it is the intention of the Canadian government to discuss this question with the United States authorities in the near future?

Mr. Sharp: I can assure the hon. member that we in the government recognize that this is one of the more urgent questions facing us, but we have not yet determined how best we can make progress in achieving our objectives.

Mr. Lloyd R. Crouse (South Shore): I have a supplementary question for the Secretary of State for External Affairs. Would the Acting

Prime Minister inform the house what progress in being made on Canada's territorial sea and fishing limits bill with the government of France, since the base lines have been determined near the islands of St. Pierre and Miquelon, and there would appear to be some difficulty—

Mr. Speaker: I have some doubts whether that question is in order. The hon. member is asking the minister to give a statement of a very general nature. Unless there is urgency in the matter which escapes me, the question is not in order. However, if there is, perhaps the minister might want to reply to the question.

Mr. Sharp: Of course the whole question of fishing zones is a matter that affects not only our relations with the United States but also our relations with France, with whom we have a treaty. These matters have been the subject of a good deal of attention within the government, because we realize that if we are going to make progress in one direction we probably have to make progress in all directions with all the countries affected. I have not yet personally engaged in any discussions with the French government, but the matter is very much before us at the present time.

Mr. James A. McGrath (St. John's East): I have a supplementary question. Would the minister call upon the services of the government of Quebec in this regard? Perhaps they might be a little more helpful.

POST OFFICE DEPARTMENT

INCREASED RENTAL CHARGES FOR BOXES

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I would like to address a question to the Postmaster General. In view of the wholesale protests over the increased rent on post office boxes, has the Post Office Department initiated a review of this problem?

Mr. Speaker: Order, please. The question as asked is not in order. Perhaps the second part of the question is in order but it should be prefaced by a statement. However, this caveat having been made, perhaps the minister might like to reply to the question.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, we announced the policy that we were trying to recover the costs of the rental of post office boxes in various communities across the country, and that policy still stands.

COMMUNICATIONS

ALLEGED COLLUSION BETWEEN TELEPHONE AND CABLE TELEVISION COMPANIES

Mr. John Burton (Regina East): Mr. Speaker, it was my intention to direct a question to the Minister of Consumer and Corporate Affairs, but in his absence and the absence of his two substitutes may I direct it to the Postmaster General, who will have some interest in the subject matter under the new reorganization of the government. Is his department or the Department of Consumer and Corporate Affairs conducting an investigation into a case of apparent collusion between Bell Telephone Company and five cable TV companies in the Toronto area?

Mr. Speaker: Order, please. The question should be placed on the order paper.

• (2:40 p.m.)

GOVERNMENT ORDERS

PRECIOUS METALS

LEGISLATION RESPECTING DEFINITIONS, MARKING, ETC.

Hon. Otto E. Lang ((Saskatoon-Humboldt) for the Minister of Consumer and Corporate Affairs) moved that Bill S-4, respecting the marketing of articles containing precious metals, be read a third time and passed.

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

FISHERIES

ESTABLISHMENT OF FRESHWATER FISH MARKETING CORPORATION

Hon. Otto E. Lang (Minister without Portfolio) moved that Bill C-148 to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation, be read a third time and passed.

Mr. Lloyd R. Crouse (South Shore): I rise to speak briefly on the third reading of Bill C-148, an act to regulate interprovincial and export trade in freshwater fish, and to establish the Freshwater Fish Marketing Corporation. It is my opinion that this particular act has received a thorough study by all concerned, at all stages of the bill.

The measure was first debated at the resolution stage under our old rules of procedure, and was given first reading on December 18, 1968. On January 16 the bill was again before

the house where it was thoroughly debated, given second reading and referred to the Standing Committee on Fisheries and Forestry. The standing committee met on Tuesday, January 28, a clause by clause study was carried out, and the bill as amended was reported to the house.

On Friday, February 7, the house again dealt with this measure at the report stage and members on this side of the house did their best to amend the legislation in order that the corporation, when opening its doors for business, might be truly representative of the people whom it was designed to serve. In this we were only partly successful, but the subamendment moved to our amendment by the hon. member for Esquimalt-Saanich (Mr. Anderson) indicated a change of heart on the part of members supporting the government, and we believe the corporation will be better served by an advisory committee of 15 members, of whom at least one third should be persons or representatives of persons actively engaged in the freshwater fishing industry as fishermen.

It is unfortunate, in our view, that the government could not accept the suggestion that the Auditor General be appointed to carry out an annual audit of the accounts and financial transactions of the corporation. We took this stand because the bill does not indicate who will keep the books, who will be responsible for the preparation of financial statements or who is to be responsible for auditing the accounts of the corporation. The Minister without Portfolio (Mr. Lang) has stated that in the end the Auditor General may well be the auditor appointed to audit the books of the corporation. However, his refusal to place this wording in the act raises some doubts in our minds concerning the person or persons who will ultimately be responsible for auditing the accounts of the corporation. After all, the Canadian taxpayer has a considerable stake in this corporation. It is to receive, initially, a grant of an amount not exceeding $100,000, with power to borrow up to five million dollars, backed up by the resources of the federal government, which really means by the people of Canada.

It is easy to understand our concern with regard to the responsibility for auditing the books of this corporation when one looks at some of the classic examples of mismanagement and improper estimating which have come to light recently. The increase in expenditures over estimates for the refitting of the *Bonaventure*, the increase in expenditures over the estimates for the National Arts Centre, are staggering and they literally have the taxpayers of Canada hanging on the ropes.

When setting up this corporation we are dealing with an estimate, made by someone within the department, and we are told that a grant of $100,000 will enable the corporation to meet initial operating and establishment expenses. From experience of the examples to which I have referred, we have no way of knowing what the actual costs will be. We can only hope and pray that this estimate will be more accurate than estimates made in the past, since under clause 15 (1) the corporation is required to conduct its operations on a self-sustaining financial basis without appropriations therefor by parliament. If the initial estimate is too low, what happens to the corporation? Neither the bill nor the minister has been very clear on this point and I suggest it is one which he may wish to clarify.

The same question would apply to the amount which may be borrowed by the corporation, since the amount of any bank loans shall not exceed five million dollars. I presume this figure is also an estimate. I cannot help but wonder what would happen to the corporation if its total funds became tied up in property and in holding fish in storage to obtain higher prices. Certainly the fishermen could not come to its rescue, and I wonder whether the responsibility would not rest with the federal government or the provinces to provide more capital.

It is evident, Mr. Speaker, that under the terms of this all-encompassing legislation covering the buying, filleting, freezing, packaging and preparing of fish for market, high costs will be involved at the initial stage. The corporation, according to its purposes and powers, must not only buy and prepare fish but it must store, ship, insure, import, export, market, sell and otherwise dispose of fish and fish byproducts manufactured or produced by it. In addition it must establish branches or employ agents in Canada or elsewhere. It must make loans of working capital on a seasonal basis to persons engaged in fishing for commercial purposes in a participating province, and do all such other things as are necessary to the carrying out of any of its functions under the act. And it must do all these things, Mr. Speaker, on a capital grant of $100,000.

It seems to me that what we have before us is another faulty estimate. If this corporation is to carry out all the requirements of the freshwater fish industry I question the judgment of the man or men who made the initial

estimate covering the requirements of the board.

If the corporation can be established and become a successful, effective organization, providing better prices and services to inland fishermen, using the amounts as listed in this bill, the corporation will in my view have achieved its objective. There can be only one purpose for this corporation, and that is to provide some 7,000 inland fishermen in the vast area covering northern Ontario, Manitoba, Saskatchewan, Alberta and the Northwest Territories with a better standard of living through a higher percentage return on the fish they catch. Under private enterprise, according to the McIvor Committee report, fishermen received between 50 per cent and 60 per cent of the export price. These figures are known, so it will be up to the corporation to do better.

It will be the responsibility of the corporation to bring about an improvement in the bargaining position of our inland fishery, by co-ordinating supply and demand and by providing uniform standards and quality control. It will be the responsibility of the corporation to improve the quality of all the fish it places on the market, so that the consumer will have confidence in Canadian fresh water fish products.

• (2:50 p.m.)

It will also be the responsibility of the corporation to co-ordinate the handling and processing of all freshwater fish; and, most important of all, it will be the corporation's responsibility to see that the hoped for higher export earnings will be passed on directly to the fishermen. In the final analysis it is the lone fisherman with whom we must be concerned. Unless his earnings are increased, unless he is given an opportunity to improve his status in the community, unless he is given a better income to provide for the needs of his family and for the education of his children, this whole exercise becomes one which only increases government bureaucracy, without providing any real assistance for the people it was designed to help.

Since the marketing board concept for an inland fishery is an entirely new departure—to the best of my knowledge, Mr. Speaker, this is the first time we have had a federal fresh fish marketing corporation in Canada—I cannot help but wonder what efforts are being made by all the governments concerned to acquaint fishermen who reside in this vast area with the authority as well as the scope of the operations of the board.

In view of the marketing difficulties experienced by our fishermen, which in effect brought about the establishment of this marketing board, I cannot help but wonder whether the Canadian government has made a formal approach to the government of the United States to agree on a method of inspection of whitefish satisfactory to both governments. This is an important consideration at the initial stages of the setting up of this corporation. Apparently some 80 per cent of all our fish exported to the United States consists of whitefish. Since there is no standard inspection and since the whitefish at times are infected with a parasite, making the fish unacceptable to the United States authorities although that fish may be accepted by our Canadian authorities, I suggest to the government and the minister piloting this bill through the house that, if the freshwater fish corporation is to be successful, this is one area in which the government ought to consider taking action.

I wish to say that we, on this side, support this legislation. We hope, for the sake of the people in the vast area the corporation will serve, that the corporation will be successful in its operations.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, my remarks on third reading of Bill C-148, an act to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation, will be brief. The hon. member for South Shore who has just taken his seat gave the house a comprehensive resumé of how this legislation will affect our freshwater fishermen. I am rising at this time to suggest to the Minister without Portfolio from Saskatoon-Humboldt (Mr. Lang), who is piloting this bill through the house, that he should look at the record of a fish marketing board which was set up in Saskatchewan a number of years ago under a socialist government in that province. As I recall, the record of that board, was none too enviable. We ought to make certain that the board to be set up under this legislation is not similar to the one set up under that socialist government. Under the previous board Saskatchewan fishermen complained that the return they received from their product was too low and not equitable to the cost of production. The administrative costs of that board were also too high.

Before regulations under the present bill are finally implemented I suggest that the minister take a look at the records showing how the previous board operated. A close study of that situation may be well worth while. I am sure he will appreciate what I am referring to.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to make a few brief comments on this bill. We have had a good debate at all stages of the bill, one of the last to go through a resolution stage before the rules changed. We had a lively discussion in committee and, although we did not succeed in getting amendments through, at least the government accepted several of them in a watered down version. The result is better legislation.

Before the minister replies to our questions and closes debate I would ask that, in the course of his summation, he shed some light on the government's timetable regarding the establishment of a salt fish marketing board,—and I hope you will permit me to speak for just a moment on this subject, Mr. Speaker. I shall not speak as to the merits of a salt fish marketing board, but I do express the hope that the board to be set up under the present bill is a forerunner of a similar board to do with the marketing of salted codfish.

Meeting with the president of the Newfoundland Federation of Fishermen, the Minister of Fisheries indicated that it was the government's policy to set up a marketing board for the marketing of salt codfish. Considering the serious marketing problems facing this industry we hope the government is sincere, and will set up such a board. Perhaps in reply the Minister without Portfolio from Saskatchewan might take us into his confidence, as his colleague, the Minister of Fisheries did with the president of the Newfoundland Federation of Fishermen.

We in this party, Mr. Speaker, support this legislation. We wish the minister well in this particular endeavour. At the same time we point out that any piece of legislation is only as good as those administering the legislation. For the sake of our fishermen we hope fish prices increase, and that the markets remain stable and improve in size. In all these respects we wish the minister well.

Mr. A. D. Hales (Wellington): Mr. Speaker, I hope I am not out of order under our new rules in asking the minister responsible for piloting this bill through the house to reconsider the decision with respect to appointing the Auditor General to serve as auditor of this corporation. When the amendment was before the house the minister said he was not in favour of so appointing the Auditor General, because he wanted to remain flexible in the matter of appointments. His position seemed vague, and I for one would prefer the minister to take a definite stand on this matter.

[Mr. Southam.]

Could this bill not have a provision written into it similar to section 16 of the measure establishing the National Arts Centre, or section 35 of that setting up the Canada Deposit Insurance Corporation? Those sections specify that the Auditor General of Canada shall be the auditor of the corporation in question. I think hon. members of the house feel that our own Auditor General ought to audit the books of this corporation, and I am at a loss to know why the minister turned down the amendment the other day. I hope he will give the matter second thoughts, and that the Auditor General will be permitted to audit the books of the corporation.

Mr. Speaker: Order, please. I expect hon. members know that according to the rules the minister is not entitled to reply on third reading. Of course if hon. members agreed by way of unanimous consent that the minister be allowed to reply to some of the speeches made, there would be no difficulty. Otherwise, by virtue of citation 166 of Beauchesne's fourth edition, there would be some difficulty in allowing the minister to reply at this stage.

• (3:00 p.m.)

Mr. Knowles (Winnipeg North Centre): I would like to suggest, Mr. Speaker, that the minister be given the consent of the house to speak at this stage. I would also like to suggest that Your Honour, or perhaps the Committee on Procedure and Organization, might take another look at this point in view of the slight change of emphasis which has been made with respect to second reading and third reading. Under our former regime the second reading was extremely important and treated as a substantive motion which permitted the mover of second reading to reply at the end of the debate. The second reading stage has now been slightly downgraded, at least, the second reading vote, and the third reading stage upgraded. It seems to me it

makes sense that on the third reading it should be regarded as important for the minister to have the right of reply. All I suggest today is that we consent to the minister replying, and I hope he will give a favourable reply about the Auditor General. I think the right of reply at this stage might be looked at in the light of the changes made in the rules.

Mr. Speaker: The suggestion made by the hon. member for Winnipeg North Centre is of great interest. As a leading member of the committee in question, I am sure he will want to initiate discussion. He may suggest that instead of the right of reply being on second reading, it could be on third reading so that citation 166 would not apply at third reading but would apply to second reading. This is something to which hon. members will want to give consideration. For the moment the Chair is guided, I am afraid, by the precedents, although as I suggested a moment ago there is no difficulty if hon. members agree. I assume they will agree to allow the minister to reply at this time.

Mr. Lang (Saskatoon-Humboldt): Thank you, Mr. Speaker. I appreciate the indulgence of hon. members in allowing me to say a few words at this stage. I also appreciate the comments of the hon. member for Winnipeg North Centre (Mr. Knowles). I had no real intention to rise and speak at this point. It is really only to answer several of the questions raised by hon. members that I do so at this time. The matter has had very full debate and I will not cover any ground already traversed.

The hon. member for South Shore (Mr. Crouse) was somewhat concerned about the amounts of money specifically referred to in the bill. This, of course, is the best estimate at this time as to the amounts which in effect are appropriate maximums for the various purposes involved. It is difficult to decide when a maximum is in fact a reasonable maximum, but it would be a bad principle to enlarge these amounts indefinitely above what is reasonably to be expected. Should these expectations not be verified by the developments, we might be in the position of having to look at them again, but this is our best expectation at this time.

I would like to assure the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) that we had a careful look at the manner of operation of the fish marketing board which was an experiment in the province of Saskatchewan. We looked at its controversial record to which he referred in rather more definite terms. Marketing of fish is by no means limited to the borders of one province. However, the scope and power of that fish marketing board were necessarily limited to one province. In that regard this corporation we are now setting up will be much better off, because it will have the marketing control over the bulk of the freshwater fish from a very large area and the main control over almost all fish of a specific species. This board will be in a much better position to improve marketing conditions than was the Saskatchewan Board.

I will not comment on timetables for salt fish marketing boards or other endeavours in that regard. My colleague the Minister of Fisheries (Mr. Davis) has very much in mind the problems in this area. He will no doubt bring forward appropriate solutions to these problems in due course.

I regret to say to the hon. member for Wellington (Mr. Hales) and the hon. member for Winnipeg North Centre that I have nothing to add to the remarks made the other day in regard to the Auditor General. At that time I indicated I supported the sentiment of those who felt this was a proper use of the Auditor General. I indicated that the point of not legislating specifically was to allow some flexibility and some discussion about this matter with the corporation itself and the possible use by them of commercial auditing facilities in different aspects of their business prior to the formal audit, and the consequent convenience of using the same people for the audit. Certainly the use of the Auditor General is not in any way excluded.

Mr. Crouse: I wonder whether I may ask a question of the Minister without Portfolio? Could he tell us whether the Canadian government has made a formal approach to the government of the United States asking them to agree on a method of inspection of whitefish which would be mutually satisfactory? This is a very important matter and I would like to know if representations have been made along these lines?

Mr. Lang (Saskatoon-Humboldt): I do not have anything new to report in regard to the discussions in areas like this which are going on at all times. I have no specific report to make in regard to the creation of this particular board.

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

EXPORT AND IMPORT PERMITS ACT

AMENDMENT RESPECTING APPLICABILITY TO CANADIAN DAIRY COMMISSION ACT

Hon. Otto E. Lang (Saskatoon-Humboldt) (for the Minister of Industry, Trade and Commerce) moved second reading and reference to the Standing Committee on Finance, Trade and Economic Affairs of Bill S-25, to amend the Export and Import Permits Act.

He said: Mr. Speaker, this bill to amend the Export and Import Permits Act is a fairly simple one. It extends for a further period legislation which has been in effect for a considerable period of time. Legislation in 1947 created the Export and Import Permits Act as a successor to the National Emergency Transitional Powers Act. Since 1954 the bill has been brought before the house at three-year intervals to be re-enacted in each case.

The re-enactment at this time is scheduled for a five-year period as against the three-year period previously used. It is our feeling there may well be merit in having re-enactment of this bill by each parliament. The three-year period could bring it back before the same parliament for a second time, which is undesirable. Accordingly, this amendment is for a longer period.

The only other change in substance is the inclusion of the Canadian Dairy Commission Act in the list of acts under which action may be taken. This is really a housekeeping matter since this change in the Export and Import Permits Act has already been made in the Canadian Dairy Commission Act.

• (3:10 p.m.)

It is under this legislation that certain steps can be taken by the government in regard to some matters of export and import control. The export control may relate to such matters as arms and ammunition or may supplement certain other specific intergovernmental arrangements that have been entered into. The import controls are similarly designed, frequently to supplement other governmental action and particularly to supplement action where stabilization of price is being undertaken under some other legislation.

The purpose of the act is also to ensure that in certain cases goods which are of particular importance to Canada may not be exported outside Canada without regard to the interests of this country. Therefore the bill before us is a fairly simple continuation of the existing legislation, and I am pleased at this point to move its second reading and that it be referred to the appropriate committee.

[Mr. Lang (Saskatoon-Humboldt).]

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, as the minister has indicated, this is essentially a housekeeping bill to provide for the extension of the legislation for a further period of five years. The extension to five years instead of the normal three years is not a matter to which anyone will take much objection.

Certainly the need for the extension of the legislation is quite manifest. As the minister has outlined, its chief purpose is to enable the government to impose import controls particularly so far as agricultural products are concerned, so that it will be possible to carry out the provisions of the Agricultural Stabilization Act, the Agricultural Products Co-operative Marketing Act, the Agricultural Products Board Act and the Fisheries Prices Support Act. To these is now to be added the Canadian Dairy Commission Act.

If that type of price stabilization is to work satisfactorily it is essential that the government have power to impose import controls on goods which would otherwise come in, undersell Canadian subsidized products and thus make the workings of our stabilization legislation ineffective. The chief point I would like to make in that connection is that I hope the government will be more active than it has been in the past in making use of this act. During the past four or five years the government has been very loath to use the act and put import controls into effect in cases where Canadian agricultural products were being damaged simply by the failure to use the provisions of the existing legislation. As a matter of fact, during that period some import controls were done away with. I recall that last year when poultry producers, particularly turkey producers, were in very considerable difficulties the government refused to take action and put import controls into effect. Speaking for this party I would say we are not only in favour of this legislation being renewed but that we are strongly in favour of it being used more effectively than has been the case in the past several years.

Dealing with the application of the act so far as export controls are concerned and the protection it provides, particularly with respect to the export of warlike material of any kind, I think that protection is manifestly necessary and nothing more needs to be said about it. The same applies so far as certain rare metals are concerned and metals which are in short supply from time to time. I anticipate that the Standing Committee on Finance, Trade and Economic Affairs when

examining the bill would like further information with regard to the extent to which the act is being made use of at present, and would like some expression of the intention of the government as to how effectively it will use it in the future.

Mr. Max Saltsman (Waterloo): Mr. Speaker, we are all interested in seeing this bill reach the standing committee where we can examine it in details. The bill involves a clear example of the kind of power possessed by governments but which is not used by them in certain cases where the national interest would be best served by doing so.

My party feels that the scope of the bill should be enlarged to cover all imports and all exports, rather than being confined to those specified in it. My reason for saying this is fairly straightforward. Quite obviously the reason that warlike materials and some agricultural products were included originally under the provisions of the act was that there existed an urgent need in those areas for the government to exercise control at some stage of their import and export. Even though in the past governments have been reluctant to act on these matters, they possessed the power to do so if the national interests or the interests of specific industries were in jeopardy. But by restricting this power to cover only certain items we run the risk of emergencies arising with respect to other items, and the government would not be able to act even if it wished to do so.

The legislative process is a lengthy one. It takes time to bring legislation before the house, to examine it and to pass it. There can be no other way to handle legislation in a democratic nation and this must be recognized. It is for this reason that we think the government should possess the power to act in case of emergencies with respect to other items.

With respect to import restrictions the provisions of the bill deal almost solely with agricultural products. I think it must be clear to many hon. members that there are other goods which stand in the same jeopardy as the agricultural products listed in the bill. My area of Waterloo has two major industries, a textile industry and a shoe industry, which from time to time are seriously jeopardized by imports from foreign countries. Sometimes the production costs in those countries cannot be ascertained, and it is difficult to apply the anti-dumping legislation, even difficult to define whether dumping has taken place.

The powers given the government under this bill have to be used sparingly, not as a form of national protective policy or as a way of getting around agreements that we have entered into under GATT. This is very important. But on occasion some of our major industries that are large employers of labour are seriously jeopardized, and I can foresee the necessity for the government to take immediate action. When such an occasion arises is not the time to start thinking about legislation. The legislation should be in existence and ready for implementation. Therefore we would like to see such blanket powers included in this bill.

• (3:20 p.m.)

There have been occasions when the provisions of the act have been inadequate to protect the national interest. A year or two ago minerals like copper and nickel were in short supply and Canada, one of the major producers of these commodities, faced shortages of these minerals for its own industries. Our own industries were not able to obtain the copper and nickel which they needed, while many exportations were taking place. During that period the Minister of Trade and Commerce was asked concerning his intentions to act in this regard. The answer we received was that exports are more important than looking after the internal needs of our own industries. This to me is a very unacceptable proposition. If we are to move away from the exportation of raw materials as has been the case in the past and become more of a manufacturing nation, which we are capable of becoming and should become, we must ensure, particularly in those areas where we are major producers of raw materials, that those raw materials are not denied to our own manufacturers. In looking at this bill I do not think such protection is available under the enumerated powers in the bill.

I should also like to say a word about war materials. Under the consolidated Export and Import Permits Act it is clearly indicated that the government of Canada has the power to prohibit the export of war materials of various kinds. Our quarrel is simply that the powers possessed under this act have not been exercised in order to carry out what I believe is the considered judgment of the Canadian people. We have been guilty of complicity in the war in Viet Nam by sending war materials from this country to the United States. Our people did not want to participate in that war and yet our government has

refused to act when it clearly has the power to do so.

Therefore there are two points which our party wishes to emphasize. First, the bill should be enlarged to include the emergency powers that may be necessary to protect industries which are in danger of extinction in this country, especially those industries which we have made a decision to support. Second, the government should pay more attention to the desire of the Canadian people in respect of controlling our own future, our utilization of our resources and our unwillingness to participate in other people's immoral wars. When the bill is before the committee we intend to present these points. We hope we will have an opportunity to bring forward some amendments which may be acceptable in order to make what we think would be worth while part of the provisions of this bill.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, similar to the two preceding speakers I should like to say that the Export and Import Permits Act and the amendments now before us should be used effectively under the changing conditions in Canada generally. In the field of agriculture particularly we have a tremendous ability to produce. There is also a tremendous ability to produce on the part of our neighbour to the south and the European communities. It was stated by the Minister of Agriculture (Mr. Olson), as reported in the press, that there is scarcely a developed nation in the western world that is not capable of producing a great deal more agricultural products than can be consumed by that nation. This means in effect that the market for dairy products so far as Canada and many other countries are concerned is practically limited to the country. I assume that is the reason the dairy commission is specifically included in this bill.

In respect of the production of feed grain in western Canada and corn in Ontario we find that the market is flooded with these products from other countries and that our own producers are at a serious disadvantage. I do not think we should allow ourselves to drift—I repeat, drift—into the position where we will be buying supplies from overseas or from our neighbour to the south which we can produce efficiently and easily at home. If we do not follow the policy of using our own resources we will find ourselves trying to get foreign exchange to pay for products which we should be producing here. As has been mentioned, this applies to turkeys and rapeseed in western Canada and to vegetable production as well.

[Mr. Saltsman.]

I hope the government will use the power it is taking through this bill. In the agricultural sector particularly I believe we are entering what might be described as a selective position. It will be necessary for us to maintain an export market for much of our agricultural production. At the same time we will have to maintain a domestic position in respect of other parts of it. It is my impression that we may not be able to apply effectively the Customs Tariff dumping provisions in the areas I have mentioned. Therefore I support this bill.

Mr. Deputy Speaker: I rise to point out to the house that if the minister speaks now he will close the debate.

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I am of course heartened by the sentiment of the hon. members in the opposition who have tended to show, it seems to me, great trust and confidence in the government, a trust and confidence which of course is not misplaced—

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Lang (Saskatoon-Humboldt): —in urging that the power should be made broader, indeed, than in the contemplated amendments now before us. The government, of course, in amending the act is conscious of its general philosophy of moving the world toward a freer trade position. I would not want to think that hon. members would fall into the trap of backing free trade generally and at the same time demanding specific protection for specific purposes one after the other.

Mr. Knowles (Winnipeg North Centre): Speak to the members on your own side.

Mr. Lang (Saskatoon-Humboldt): This is a very difficult and yet sometimes politically attractive position to get into. The bill before us will now move to the committee. I shall be very interested to hear hon. members pursue some of the lines of inquiry they have indicated here in order to see how far their general philosophy goes and how far they are really talking about a specific area interest. I am pleased, therefore, to move the second reading and referral to the committee.

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

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

• (3:30 p.m.)

AERONAUTICS ACT

AMENDMENTS RESPECTING DEFINITION, REGULATIONS, ETC.

Hon. Otto E. Lang (Saskatoon-Humboldt) (for the Minister of Transport) moved that Bill S-14, to amend the Aeronautics Act, be read the third time and passed.

He said: Mr. Speaker, Bill S-14 now before the house for third reading deals with amendments to the Aeronautics Act. As hon. members know, this act regulates and controls civil aviation in Canada. The amendments contained in Bill S-14 have been studied in detail during a clause by clause consideration by the Standing Committee on Transport and Communications. They have been fully outlined and explained at the second reading stage.

The minister in whose name this bill stands would, I am sure, like me to express his appreciation to hon. members for the study the bill was given in the committee and here in the house and, through that study, the demonstration of the need for the amendments and desirable improvements contained in the bill. Therefore I am pleased to recommend that the house give third reading.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, all I have to say is that in spite of all the glowing descriptions of the government by the minister we have very serious reservations about powers given to the government to act by order in council. We are not going to vote against this bill on third reading but we file a caveat because we still have this reservation in our minds. Subject to that reservation, I assume the bill will pass and we will wait to see how it operates.

Mr. A. D. Hales (Wellington): Mr. Speaker, in order to be clear about this bill I should like to ask the minister one question. Following the passage of the bill will the Department of Transport have the authority to spend sums of money on improvements or expansions of airport facilities in Canada, and will this money be spent without the department having to come to this house for approval?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I am always hesitant to give a legal interpretation in answer to hon. members' questions. I am sure the Minister of Transport (Mr. Hellyer) would be delighted to do so were the hon. member to approach him at any time.

Mr. Hales: Mr. Speaker, this is not a very satisfactory answer at this time. The question I asked is important and hon. members require an answer. If what I suggest is in fact the case, this is a pretty serious situation. Parliamentarians should have some control over spending by the government, and apparently by this measure we are giving the department a free ticket to spend money on airports. Surely we should have a more definite answer to this question.

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

Some hon. Members: Agreed.

Mr. Baldwin: On division.

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

NAVIGABLE WATERS PROTECTION ACT

AMENDMENTS RESPECTING DEFINITION, UNAUTHORIZED WORKS, ETC.

Hon. Otto E. Lang (Saskatoon-Humboldt) (for the Minister of Transport) moved that Bill S-19, to amend the Navigable Waters Protection Act, be read the third time and passed.

Mr. Aiken: Mr. Speaker, I intended to reply to the minister after he had made a statement. If he does not intend to do so I should like to comment on the motion.

Mr. Deputy Speaker: I take it the minister is not going to make a statement. It was my impression that we had debated this matter on third reading. That was my mistake. I recognize the hon. member for Parry Sound-Muskoka.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I want to say that the removal of the $5,000 limit in respect of which the minister's approval is required for construction of any facility on a navigable water makes every dock, boathouse, launching ramp or other facility on a navigable water subject to approval by the federal Minister of Transport. In addition, facilities already in existence can now be ordered removed. The act, as this bill proposes to amend it, will apply to every work which projects over a body of water, no matter how small. It will include even a couple of planks built on a couple of posts on a very small stream in any part of Canada.

This is one of the most dangerous pieces of legislation ever brought before parliament. I

am positive that the Department of Transport could not possibly enforce it. At the present time there are in existence many facilities such as boathouses, wharves, launching ramps and marinas which have not been approved by the minister. If the owner could prove that these facilities cost less than $5,000, before these amendments are adopted, he would be fairly safe to go ahead without applying to the departments. These amendments remove that $5,000 limit. Every navigational facility will now be brought under the Navigable Waters Protection Act. Facilities of any size on any body of water no matter how small will be covered by this measure.

The interpretation of the word "navigable" has never been made clear, and I appreciate the difficulties involved. At the moment there are two obvious tests. There is a difference in the interpretation of "navigable" by the Department of Public Works and the interpretation by the Department of Transport. The term "navigable water" was interpreted by a number of witnesses who appeared before the transport committee as any body of water on which you can paddle a canoe. Therefore this measure has been extended to every situation involving a body of water in Canada.

I have been very close to the work done by the harbours and rivers branch of the Department of Public Works because I represent a part of the country in which there are many cottagers and tourist operators. Whenever they go to the Department of Public Works seeking approval for the construction of a wharf, a launching ramp or a boathouse on a small body of water, they have been told that this was never the intention of the B.N.A. Act in respect of navigable waters. These people have been told that the B.N.A. Act was never intended to cover small structures such as launching ramps or boathouses on small lakes or rivers. They have been informed that the B.N.A. Act was intended to relate to large navigable waters such as the oceans, the Great Lakes and larger inland lakes. They have been told not to ask the government to build a dock on Beaver Creek, for example, because that is not a navigable water in terms of this act.

• (3:40 p.m.)

We now have the Department of Transport coming along and saying that this is all right for the Department of Public Works but the Department of Transport will control navigation on any body of water no matter what its size. This has been a real problem and it has not been cleared up. In fact, the amendments to the Navigable Waters Protection Act that we are now considering make the situation worse. Just a week ago I was at a meeting in connection with the facilities in Algonquin Park. One outfitter there was disgusted that a body of water in the park in which he was interested had been declared navigable. He said there were six month old frogs in that creek that had not even learned to swim; yet it had been declared a navigable water.

This is a very sloppy piece of legislation and the Department of Transport cannot possibly carry out its provisions. They cannot possibly carry out their responsibilities because the act will provide that every person who proposes to build a dock, launching ramp or boathouse which extends over the water will be required to obtain a permit from the Department of Transport. If he does not do so, he runs the risk of the department coming along later and saying: We are sorry, but you must take this construction down. People who propose to build these structures will not have the protection that exists now under the section which provides that if the structure costs under $5,000 they are safe. Now there is no limitation. This means that under the legislation the department will undertake to receive applications from anybody in Canada who wants to build a dock or a boathouse. I know the department cannot do it; it is an impossible task.

A few years ago the province of Ontario tried to catch up on their responsibility in this matter and found it was impossible. There were docks and boathouses all over the province and they could not possibly do it. That is only one province. I do not know how the Department of Transport expects to carry out its responsibilities in this regard for the whole of Canada. This will be a carte blanche for every federal marine agent to go to a private owner in Canada and say: Remove your boathouse because you did not obtain a permit. They will be able to do this without any reason being expressed.

This legislation will also make it possible for a cottager to go to the Department of Transport and say that the fellow next door to him is building a dock and he wants the department to stop it. He can ask whether his neighbour has obtained a permit to build the dock. If the department says it did not bother to require a permit to be obtained because it was just a small dock, the man making the complaint can have the building of the dock stopped because his neighbour does not have a permit. If this man is not stopped, the

department is derelict in its duty. If he is stopped, it is unfair to the man who is trying to do exactly what his neighbour has done. I am seriously concerned about this situation.

The minister tried to clear this matter up at the report stage. I do not have his exact words, but in essence he said that the department was not going to worry about little docks with a couple of planks. This was also said in the committee. But it is not what the bill says. The bill says that included within its provisions is every little dock with a couple of planks. I ask, Mr. Speaker: At what point is the Department of Transport going to carry out its responsibility? At what point is it going to be derelict in its duty? I think this legislation leaves the situation wide open.

I should like to mention the situation in which the provincial authorities are placed. At the present time, if you want to build a boathouse or a dock and want to be sure it will not be torn down, you must go to the provincial department of lands and forests, or whatever department is concerned, and obtain a permit to occupy the land under the water because it is provincial crown land. Therefore you must either obtain a patent of ownership for that little piece of crown land under the water, or an annual permit to occupy it, that is, a licence of occupation.

This situation has created a mess for the province because all the docks built without permits are there and a lot more are being built without permits. Some are being built with permits. It is an impossible situation because there are in Canada hundreds of thousands of facilities of this type. It is impossible for even the provincial authorities to regulate this matter. I remember that about 15 or 20 years ago the provincial government of Ontario decided to survey the situation with regard to its responsibility for docks and boathouses on inland lakes. After they looked at the situation for a while they decided it was an impossible task and had to leave it alone. Now we have the federal department wanting to take on the same responsibility in connection with ten provinces and the territories, despite the fact that to my knowledge it is a job that no provincial authority has been able to handle.

If at the present time you want to build a dock with two planks and a couple of posts, you must go to the provincial authority and obtain a licence to occupy the land under the water. Now you will also have to go to the federal Department of Transport and obtain a licence to build a facility on the surface of the water in order to comply with this bill. There is no use saying that if it does not project too far into the water it does not obstruct navigation, because if it projects one foot over the water you are obstructing a channel that someone may have used. Whether the construction projects one foot or two feet, if it projects over the water at all you are obstructing navigation. There is nothing in this bill that says how far such a construction shall project before it obstructs navigation. If it projects five feet will it be all right, but if it projects seven feet will it be an obstruction? If it projects 15 feet will it be all right, and will 20 feet be too far? There is nothing in the bill that deals with this question; there is no definition of what constitutes an obstruction in this respect. There is absolutely nothing the department can physically do to carry out the provisions of the bill.

A number of other objections to the bill were raised by the members of the committee. The committee went into this matter fully. Questions were asked but I do not think they were satisfactorily answered. There was a debate on this matter at the report stage, but the bill left in a very vague and unsatisfactory state. We moved amendments at the report stage and they were defeated.

I cannot understand the Liberal members supporting this bill, particularly those who have cottagers or tourist facilities in their ridings. I do not know how they will be able to go back to their constituents and explain the situation when someone says he has been ordered to take down his boathouse because it projects over the water. Will the member concerned say that he is sorry but he did not understand what was actually happening when this bill was passed? There are not in the house at the moment very many members who will have this responsibility. I hope those members who are here understand what is being done, because in the not too distant future they will perhaps have to explain this situation to their constituents.

• (3:50 p.m.)

However, the government has its majority. They have defeated our amendments and we are now on third reading. They are entitled to have their will unless we want to filibuster until the end of time, and we are not prepared to do that on third reading. But the bill is sloppy, poorly drafted and dangerous. If the majority of the house feels it should be passed, then I am going to ask that it be passed on a division.

Navigable Waters Protection Act

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to make a few comments on Bill S-19 to amend the Navigable Waters Protection Act. While the bill before us does bring in some good changes, I felt that the over-all act is still wholly inadequate. In the committee and in the house the bill was discussed and I hoped that one or two major amendments would be brought forward by members on the government side.

I do not know if all members of the house are aware of the fact that the Navigable Waters Protection Act does not apply to all organizations in Canada. For example, the main users of our water resources are provincial and federal Crown corporations. They are the ones that use the navigable waters of this nation, and we find that they are not covered by this act. I think they should be. In my frank opinion the government and the minister are derelict in their duty to the people of Canada when they fail to include the main users of our great water resources. It is a disgraceful attitude for the government in the year 1969 to ignore the damage which can be done to water resources by failing to bringing in another amendment to include Crown corporations under the act.

This afternoon I would like to speak rather briefly to point out why I feel further amendments should have been made to Bill S-19. I am very disturbed by the fact that Crown corporations are excluded from the provisions of the Act. I come from the province of British Columbia where we have had some pretty sad experiences of what can happen to the navigable waters of a province merely because there was no agency that could insist on a proper job being done when certain hydro dams, for example, were being built. Here we have a bill amending the Navigable Waters Protection Act and excluding those agencies which most often do not take into consideration all the effects of the damming of certain rivers or lakes. This is the reason I suggest to the government that the bill is anything but adequate.

I feel that Canadians are very anxious that we exercise much tighter control over the use of our water resources than we have had in the past. During the committee hearing the legal counsel pointed out to the members of the committee that unless we specifically include in the act provincial and federal Crown corporations they will be exempted because of a clause in the Interpretation Act. It seems to me that the greatest omission that has been made is that these Crown corporations are not going to be forced to do the will of the federal government. Farther on in the act under section 12 we find that the federal government may exempt any group, individual or corporation from the provisions of the act if it so desires. If they can provide a good case for the construction of a dam or the flooding of a certain area or the diversion of a river, then the federal government has the right, under the act as it now stands, to exempt them from the provisions of the act. But if Crown corporations are not included—and they are not included either in this bill or in the old act—then they are home free and can do anything they wish in so far as the damming of waterways is concerned.

I would like to give the house several good examples of what has happened because we have not had sufficient protection in the act to insist on surveys being made before projects were commenced. It seems to me essential in this day and age that in the exploitation of our water resources we consider every aspect before proceeding with a project. If dams are to be built, I feel that proper ecological surveys should be made. We should know the results upon the local economy, upon wild life, vegetation, pollution, fish, tourism and a number of other related aspects. I hope that the concept of the multiple use of our resources will replace the blind, single-purpose development which apparently we have in Canada today.

I also want to point out that when the Navigable Waters Protection Act was before the house for second reading the hon. member for Peace River (Mr. Baldwin) spoke about the damaging effects which the Portage Mountain Dam in British Columbia was having on the whole of the Mackenzie River system. He pointed out that the provincial government did not go to the federal government for permission to build the dam. Protests were made but nothing was done. I think this is an excellent example of the need for control. Absolutely no ecological studies were made. As a result, we find that a neighbouring province, Alberta, and the area to the north of that province, are suffering. I am certain something could have been worked out to the satisfaction of all the governments concerned had full and proper surveys been undertaken before the project commenced. No improvement will be possible until an amendment along the lines of the one I have suggested has been enacted.

• (4:00 p.m.)

About a week ago I received a letter from a group of interested university people on the

very subject upon which I am speaking. It outlined clearly the need for immediate action in the field of resource control and should be of interest to every member of the house. I understand the letter has been sent to several newspapers; if any hon. member would like a copy of it I would be glad to supply one. With your permission, Mr. Speaker, I should like to read it into the record. I could outline the gist of it, but I think reading it would give a clearer picture of what these people are asking us to do. The letter comes from the Department of Electrical Engineering of the University of Alberta, Edmonton. It is dated January 28, 1969, and was addressed in this case to myself, though, as I say, it was sent to several newspapers. It reads as follows:

We are concerned that there seems to be a lack of policy by both the federal and provincial governments in Canada with regard to evaluating the ecological implications of the development of our natural resources. It appears that in the exploitation of these resources little or no attention is being given to the consequences upon the local economy, wildlife, vegetation, prevention of lake and river pollution, preservation of scenic beauty and other related values which ultimately mean so much to the Canadian people.

For example, it has recently been brought to our attention that there has been a considerable disruption of the ecology in the Peace River delta area in northeastern Alberta. A large portion of this area lies in Wood Buffalo National Park. Before the Portage Mountain Dam was built, the spring floodcrest on the Peace River provided a natural damming of the waters of the Athabasca River. This damming of the Athabasca River permitted it to back up and flood the forementioned delta area. This annual flooding was a vital factor in the ecology of the region. As a result, the area was able to support large numbers of muskrat, and to provide good spawning conditions for whitefish and goldeye in Lake Athabasca and adjacent waters. The muskrat provided a livelihood for the local Indian population—approximately 1,200 people—and the fish have supported commercial fishing for many years.

Now, all this has been threatened by the Portage Mountain Dam which will eliminate the floodcrest on the Peace River. Already, the water level of Lake Athabasca is some eight feet below normal, and is threatening the whitefish population. Both Richardson Lake and Mamawi Lake are dry and Lake Claire is now only five feet deep and is expected to freeze solid this winter. It has been estimated that in this year alone a quarter of a million muskrat will perish due to abnormally low water levels. The lack of water in Mamawi Lake has virtually eliminated the goldeye run in Birch River.

The above ecological changes were predicted and brought to the attention of the provincial authorities while the Portage Mountain Dam was in its planning stages. Apparently the information went unheeded.

Once more a dam is being planned without any apparent attention being given to the ecological repercussions. We are referring to the proposed Bighorn Dam on the North Saskatchewan River near Nordegg, Alberta. Already it is apparent that this dam will considerably affect the local wildlife population and at this stage one can only guess as to what else. Since we are very concerned about the possible consequences of this project, we are bringing it to your attention in the hope that you can initiate a critical review of this problem. We hope that a proper review of all aspects of the Bighorn Dam will serve as a precedent for similar future projects.

We are continuing to investigate this matter and will forward to you any additional information.

This letter is signed by seven professors from the department, and if hon. members wish their names I shall gladly read them. It underlines the very point I am making. We are allowing projects of this sort to take place in the absence of any surveys to find out what the over-all picture is likely to be in a few years time. It is simple enough. Engineers in our hydro corporations, for example, are given a job to do. They are asked to check as to the possibility of damming a river. They do this, and I want to tell you, Mr. Speaker, they do a good job. Next, they turn in an engineering report stating how much the dam will cost, the amount of power it will supply, and so on. They are trained to do this. But they do not take into consideration the various points to which clear reference is made in the letter I have just read.

I say that as Members of Parliament for the Dominion of Canada it is our duty to see that we get the best possible return from the use of our resources—in this particular case, the water resources of the nation. You know, Mr. Speaker, that we have some excellent examples to the contrary in British Columbia; I have mentioned some of them in debate previously. I think it is the utmost stupidity on the part of the federal and provincial government to close their eyes to the need for proper reports being made before taking steps which might allow our resources to get away from us. In British Columbia we have a number of fine hydro projects, but in most instances they were designed and built for one purpose only. The ecological effects behind the dams on the areas affected were never taken into consideration.

• (4:10 p.m.)

In every province of Canada lakes have been flooded without the land first being cleared. I agree that it is necessary for us in this country to have cheap electric power. We build dams in order that cheap power may be supplied to our people. But included in the development costs of any power project must

be the cost of studies undertaken to determine the effects on wildlife in the area to be flooded. Ecological factors have been ignored. That is why I suggest that Crown corporations ought to be brought under this legislation. We could ask Crown corporations to lay before us alternatives to projects to be undertaken. Crown corporations would examine the general ecology of an area to be flooded and determine how much it would cost to replace wildlife which might be destroyed.

I can tell you, sir, what has happened in British Columbia. I have spoken both inside and outside this chamber on a number of occasions on what has been happening in British Columbia. We built the High Arrow Dam; yet no ecological studies of the Arrow Lakes, which stretch for 140 miles, were made before building the dam, the result being that between 69 and 90 per cent of the area in which fish spawn has been destroyed.

Mr. Crossman: That is a provincial matter.

Mr. Harding: Yes, it may be a provincial matter but navigable waters come under the jurisdiction of the federal government. If Crown corporations were included we might have some planning and prevent losses of spawning grounds. Questions should be asked. How are the destroyed fish to be replaced? Are you going to build fish hatcheries, or ladders up falls so that fish can climb farther up mountain streams to spawn? Will fish different from those which have been destroyed be introduced into the new lakes with the hope they will spawn? Such questions ought to have been answered by studies.

A few miles south of the Canadian border and close to the town of Creston the United States authorities last year began to build the Libby Dam. The reservoir basin behind the lake will spill 40 miles into Canada. Yet two or three years before the United States authorities began building the dam they ordered an ecological survey of the affected area. They wanted to know what would happen when the area was flooded. I have a report of those studies in my files. The United States authorities knew exactly what had to be done to replace lost spawning grounds and to preserve wildlife. Alternative plans were laid out. We in Canada should expect nothing less from our Crown corporations. Those who benefit from hydroelectric developments ought to insist on such studies.

As we obtain more and more leisure time our people will look to the great outdoors for recreation. The legislators of this nation ought to make sure that our natural resources are passed on to future generations unimpaired. We must not destroy what we have.

In British Columbia a dam is being built on the Columbia River at Mica Creek. They are blocking off a lake 125 miles long; yet the provincial government will not clear all the standing timber from the area. Oh, a small chunk will be cleared so that from the top of the reservoir you will think that a beautiful job has been done. But for centuries that reservoir will be polluted because drifting, rotten trees will spoil the water, and what should be a recreational area and a navigable water system will be ruined. You can see the same sort of thing in Duncan Lake, also known as Bennett's Lake. It is partly in my riding. The condition of that lake is a national disgrace. Most of the land was not cleared before flooding and you can hardly get a rowboat through the upper portion of it because of all the drifting material in the water. Here in this parliament we talk about conserving resources for our people and yet we allow this sort of thing to take place. Here we have a chance to bring Crown corporations under the Navigable Waters Protection Act and prevent such pollution. Even if the federal government must pay for studies to be undertaken, it ought to do so. We ought to preserve our resources and not allow their stupid destruction, as has taken place in scattered areas from the east to the west coasts of Canada.

Accordingly I move, seconded by the hon. member for Moose Jaw (Mr. Skoberg):

> That Bill S-19 be not now read a third time but that it be referred back to the Standing Committee on Transport and Communications for the purpose of reconsidering Clause 4 thereof.

The purpose of reconsidering clause 4 is to allow us to bring federal and provincial Crown corporations under the act.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, the hon. members for Parry Sound-Muskoka (Mr. Aiken) and Kootenay West (Mr. Harding) have expressed sentiments which meet with my wholehearted approval. I had an opportunity to speak on second reading of the bill, and I hoped that the persuasive, gentle and reasonable arguments advanced by all opposition parties would move the government, if anything could, to review its position and bring forward reasoned and sensible changes in this legislation.

To show the nonsensical situation which has developed in Canada may I repeat something I dealt with during a previous stage of this bill when we were considering what were

the rights of people under this legislation. Some years ago we were considering the construction of dams in British Columbia. I have special reference, of course, to the dam at Turtle Mountain. I had every reason to believe, from trips I made up the river and from discussions with naturalists and scientists, that a dangerous situation could develop such as has been dealt with in some detail by the hon. member for Kootenay West. I asked the then Secretary of State for External Affairs, who was negotiating with the government of the province of British Columbia in an attempt to secure an arrangement under which this project would go forward, what was going to be done about securing permission under the Navigable Waters Protection Act. I asked the then Minister of Public Works, the hon. Mr. Deschatelets, now a member of the other place, who I thought took a very reasonable and sympathetic approach, to assure me that he would guarantee this matter would be brought under the provisions of the parent legislation, the Navigable Waters Protection Act.

• (4:20 p.m.)

That act provides that people planning construction must file with the appropriate department of government, at that time the Department of Public Works, a projection of what their plans will entail. Notice must be published in the Canada Gazette as well as in newspapers circulated in the area. This would give opportunity to people whose potential rights could be damaged to make objection to the federal government which has sole jurisdiction with regard to navigable waters in this country.

When I asked questions in the house the then Minister of Public Works assured me this was under consideration. I have no doubt in my mind that the minister was quite definite in his belief that this was a project to which the provisions of the Navigable Waters Protection Act applied. I am reinforced in that belief by the fact that collateral projects have been constructed in the same area, one in particular being a temporary bridge across the great Peace River for the passage of personnel and material. This involved the same Crown corporation that was engaged in the construction of the dam, and an application was made under the provisions of the Navigable Waters Protection Act. I may be wrong in that, but certainly it was the same people engaged in the same project. Notice of this project was advertised in the *Canada Gazette* and the newspapers. Permission was obviously secured because the project was completed. It was constructed and used during the course of the construction period of this dam in British Columbia. This was a situation where the authorities in British Columbia and the federal government had an understanding that it was necessary to secure permission from the federal government to construct this project as envisaged by the terms of the Navigable Waters Protection Act.

Because the ambition of two or three men to complete this project as rapidly as possible was involved, although it would result in bringing about a deterioration in the situation at Hudson Hope, down the Peace River and all over the Mackenzie system, no application was made, there was no advertising in the Canada Gazette, and the matter was allowed to proceed. I think it was shocking that this was done.

The hon. member for Kootenay West has spoken about the results and I want to put something on record. I quote from the January, 1969, edition of *Western Fish and Game*, page 36. The article was written by Richard Wright, obviously a person concerned as a private citizen about what is happening to the area. He made a personal inspection trip last fall along with some companions. I will not burden the house by reading the whole article but I quote these important words:

> Crossing the Peace west of Hudson's Hope we saw what had been a mighty river reduced to a mere trickle. Sandbars and rocks were high and dry with a small stream running between the massive canyon walls. We learned later that the Alberta fish and game branch were concerned with the effect this lack of water might have on their wildlife and waterfowl, and the Northern Transportation Co.—

Another federal Crown Corporation.

> —blamed the dam for lowering the river levels in the Northwest Territories and consequently damaging several barges. "The mighty Peace has been harnessed", an ad in the local paper said. From where we stood it looked more like it had been destroyed.

Today this work goes on. Water for a reservoir now being accumulated behind the dam will flow north and south up the Rocky Mountain trench some 200 miles. There is a suggestion this may provide recreational facilities, but looking at the photographs which accompany this article we see that construction of the dam is proceeding with huge masses of timber, debris and logs scattered all around. I feel it will be impossible for any recreational value to be derived from this enterprise for many years to come.

Before proposing these amendments the government should have listened to the very reasonable and moderate request made from this side of the house. In the course of a generation many of the people of this country will have moved into the large metropolitan districts. They will have to seek recreation in order to provide a balance for a rational society. In the 40 years I have lived in the north I have seen people come into the north not to exploit but to ravage and assault the north and take away the resources. They have been careless regarding what they left behind. These are benefits which should have been left for the people of the future.

• (4:30 p.m.)

To my mind the Peace River dam is one of the greatest examples of the harm, damage, destruction and deterioration that have been caused by a few men acting regardless of their duty to their country and to the generations who will come after them. For this reason, sir, I have no compunction at all in indicating that I am prepared to support the amendment which has been moved by the hon. member for Kootenay West.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, it is a pleasure for me to second the amendment moved by the hon. member for Kootenay West (Mr. Harding). I am sure that in the Standing Committee on Transport and Communications the Minister without Portfolio (Mr. Lang) was made aware of our discontent that Crown corporations were not included under the provisions of this bill. I am also aware that he may try to substantiate his case by referring to the fact that this would involve a constitutional issue. I respectfully suggest that this matter could be resolved at a later time and the Crown corporations should be included under the provisions of the bill because so far as the constitutional issue is concerned I believe the minister is trying to muddy the waters. I suggest that quite an amount of water could be muddied if the bill is allowed to pass in its present form.

I know that my colleagues from Winnipeg North Centre and Winnipeg North are aware of the situation in Manitoba, and no doubt the hon. member for Winnipeg North (Mr. Orlikow) will speak about it. A real storm has blown up in regard to the action of a Crown corporation in taking it upon itself to construct a dam which adversely affected navigable waters in that province and below the province. The question has been asked in one press article:

> What happens when a Crown corporation floods out a community of nearly 600 Indians and Métis in the name of industrial progress?

This could be used as an analogy in any province of Canada. If we allow situations like this to exist and do nothing about them the House of Commons will be held suspect in the eyes of the people adversely affected.

Various articles have appeared in the press about this situation and I shall refer briefly to a number of them. One of them stated:

> Five university professors presented a brief to the government which cast a wholly different light on the situation. Conservationists, wildlife experts, engineers, ecologists, more professors of various disciplines, and other knowledgeable people began to issue statements.

It is ridiculous that a province should be allowed to implement a program of its own without sending its engineering studies to the federal government so that there may be more than one party involved in the preparation and the planning, particularly when more than one province may be adversely affected. I quote again:

> The report, prepared by the provincial resources department's own experts, documented that Hydro's plan would result in "devastation" to an area equal to 20 per cent of the province's total territory. Its authors warned that about 2,175 square miles of now beautiful lakes, rivers and potential resort areas would be rendered sterile; that all wildlife habitat, and revenue derived from wildlife, would be lost from the area for at least 100 years and that the seaport of Churchill would suffer serious repercussions—

With respect to that one point alone, the adverse effect on the port of Churchill which it is suggested could result from this plan, I believe hon. members would agree that this bill should be sent back to committee for further consideration.

It was also pointed out that various types of wildlife in the area would be affected. It was stated that flooding in the area can bring about a radical change in a huge Canada goose nesting ground. It was also pointed out that the project will eliminate a great chunk of barren ground caribou wintering range in Manitoba.

I could point out many other arguments to prove that the province itself should not have the prime and prior right to construct a dam on any river which would impair the navigable portions of the river. I had thought that the Minister without Portfolio would have an answer prepared in time for the third reading of this bill, but that has not been the case.

We got no answer from the minister and so naturally my colleague from Kootenay West had to present this amendment.

Many experts have pointed out the problems to the provincial authorities, with the result that they are taking a second look to see whether or not the dam in question should be constructed and the water diverted. Even though construction of the dam has started, and it would not be economical to continue the project without ensuring the provision of the added water facilities, we must look at the social consequences to affected communities. In this area I suggest that the federal government has a prime responsibility along with the province to make sure that the matter is looked at in its entirety.

I should like to refer to a brief presented by Professor Edward Kuiper, former chief engineer in the provincial water resources branch and a consultant to Manitoba Hydro in that capacity. He said that no alternatives to the proposed Southern Indian Lake diversion scheme were ever adequately studied by Manitoba Hydro. I suggest that this is a clear indication that such schemes should be studied in their entirety to determine what effect they will have on the communities involved. This was not done in Manitoba. Professor Kuiper's brief added:

> Therefore no one is presently in a position to state that the proposed high-level Southern Indian Lake diversion is better or worse than any of the four alternative diversions.

Again this points up the fact that there should have been further discussions and consultations before any decision was rendered in this case. The people in that area have been very adversely affected. I suggest that the federal government should consider amendments to this legislation whereby such matters will be covered. I am positive that if the federal government does not assume this responsibility the provinces will not assume it either. They are primarily concerned with their own economies because they must consider the long-range economic effects without taking into account all the social consequences.

I heartily support the amendment that has been proposed. Many things can be accomplished in this house if the government is willing to tackle them. In this case I say the government must have the will, and this house as a whole must ensure that this legislation properly protects all those who are adversely affected.

• (4:40 p.m.)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to support the amendment moved by my colleague from Kootenay West. I specifically do so because of the tremendous problems raised by the plan of Manitoba Hydro, acting for the Manitoba government, to divert the waters of the Nelson River in order to construct a very large hydro project. This government and this parliament are involved and ought to be very concerned about this project because the former government approved the expenditure by the people of Canada of a very large amount of money to help pay for this project.

I have no objection to the development of the Nelson River. This is a tremendously important project that will produce a very large amount of power which can be used by the people of Manitoba and may indeed be sold to the province of Ontario or the province of Saskatchewan. It is expected that the surplus will be sold in the middle west of the United States. However, it is disturbing to say the least that a project of this tremendous scope, which will involve a billion or more dollars, is being proceeded with while the facts about it, if they are known, are known only to the government of Manitoba.

In the past four or five years the government of Manitoba commissioned a number of studies by various expert groups to determine the facts involved in the project. A key part of the whole plan is the diversion of the waters of the Churchill River into the Nelson River in order to provide a more regular flow in the Nelson River where power plants will be constructed. It is quite evident from reports which the newspapers in Winnipeg have been able to obtain that not all the facts in respect of the transfer of water from the one river to the other have been taken into account.

My colleague, the hon. member for Moose Jaw (Mr. Skoberg), has referred to the effect on the Indians at Southern Indian Lake. This community of 600 Indian and Métis people is probably the only community of its kind in Manitoba, if not in all Canada, where not a single person receives welfare from either the federal or provincial governments and where the breadwinners earn from $3,000 to $6,000 or $8,000 a year. For an Indian or a Métis this is a fantastic income. These 600 people are being told by the hydro authorities that they must move because their community will be under 35 feet of water.

It is true that hydro has offered them alternative sites, but a group of university professors hired by the government of Manitoba has questioned, because of the way in which the area is to be flooded, whether in fact there will remain a viable fishing industry. All these factors were studied by the government or by Manitoba Hydro. Even though public hearings have been held and even though the Indians have hired eminent counsel, to date the government of Manitoba and Manitoba Hydro have categorically refused to make public the studies that were made. If there has even been a better illustration of a kangaroo court I do not know where you would find it because the government, which permitted hearings by its water conservation board into the effects of the project, refuses to give to the Indians or others concerned the documents which it commissioned. It well may be that the government would argue that there are differences of opinion between the experts, but surely it ought not to be the right of any agency, whether federal, provincial or private, to say that although they have the information and all the reports they will decide what they will make public. Surely that type of thing should be ruled out from the start.

As I say, we have an important role to play here because, first, the federal government is providing a substantial part of the money for the Nelson River project and, second, the federal government is the trustee for the Indians. We have always said that the restrictions on Indians by virtue of the Indian Act exist because the Indians are not ready to look after themselves and are not sufficiently well educated or adjusted to live in our modern wage-earning, profit-making society. We say that we, the great white fathers, must protect the Indians from themselves. I notice that the hon. member for Kamloops-Cariboo (Mr. Marchand) is listening. This is the attitude we have taken. I submit that we cannot have it both ways. We cannot take the position taken almost every day by the Indian Affairs Branch that we will decide what is best for the Indians and then take no action when a group of 600 Indians are to be moved forcibly and against their will from the community in which they have lived for many years.

I shall come back to the Indians in a moment, but I wish to make clear that it is not only the Indians affected in respect of whom we have a responsibility. When I was in Winnipeg I was told that if this project goes ahead and if the waters of the Churchill River are diverted into the Nelson River, it is quite likely that the flow of the Churchill River will be cut by as much as 75 per cent. If that happens there will immediately be an effect on the port of Churchill. The minister as a member from Saskatchewan, should have a vital interest in the port of Churchill. Churchill has been having difficulties because of the short season and poor town planning. If 75 per cent of the water of the Churchill River is diverted there will be times of the year at Churchill when there will not be sufficient water to meet the drinking and sanitation needs of the town.

One might ask what the situation will be if the salt water from Hudson Bay should flow up the Churchill River. I do not know and I do not know whether the minister is informed in this regard. It is stated in one of the reports which the government of Manitoba has refused to make public that if the water is diverted the flow of the Thompson River as it passes through the town of Thompson would certainly be very much greater than it would normally be. It is hoped that in ten years time Thompson will be the size of Sudbury. We are told that the Thompson River will rise 20 or more feet, that bridges will have to be rebuilt and that the whole area will be changed. What will happen as a result?

• (4:50 p.m.)

Certainly the federal government has a responsibility and ought to look into this whole situation. Unless the amendment moved by my colleague, the hon. member for Kootenay West, is accepted, we will have no opportunity to do the kind of thing we are suggesting the federal government ought to do. Before a navigable stream is allowed to be changed as a result of the plans of any agency we should make sure that all the information required is made public. This should be done whether a federal or provincial agency is involved. It should also be done even when a private agency proposes the change.

We talk very frequently about our desire that the Indians should learn to speak for themselves so they do not need a white member of the government or the bureaucracy, a social worker, a do-gooder or a magistrate to speak for them. The Indians of Manitoba have taken us at our word. They have probably gone farther than any other group of Indians in the country in creating an organization to speak for them. They are doing so in an increasingly effective manner. I should like to put on record what the president of the Manitoba Indian Brotherhood has said. I

quote what Chief David Courchene said, as reported in an article in the Winnipeg *Free Press* of January 22, 1969:

> The Manitoba Indian Brotherhood president, David Courchene said in a statement Tuesday the brotherhood is "appalled with the arbitrary action taken by the government".

He went on to state:

> —the procedure showed the government's lack of concern for Indian people.
>
> "Such action in the midst of negotiations is a clear and obvious indication of the government's lack of consideration of Indian people. It is also an obvious indication of a lack of good faith for, while inviting participation at hearings . . . decisions have already been made.
>
> The government obviously subscribes to the 'might is right' philosophy in negotiation. We are sure the people of Manitoba will be as incensed, shocked and appalled at the Manitoba government's denial of basic justice and lack of good faith."

The people of Manitoba are appalled and they expect that the federal government, which as a vital stake in this whole question, will not hide behind what I consider to be the spurious argument that an agreement has been reached and there is nothing it can do about it, or the argument that the Indians are not members of a reserve and therefore are not the responsibility of the federal government.

I hope the government will not hide behind the argument that at this late stage it cannot amend this measure in the way the hon. member for Kootenay West has suggested. I appeal to the government to accept this very moderate and sensible amendment in order that it may have the time and the opportunity to undo what I consider to be a basic injustice to the people of northern Manitoba, be they Indian or white.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I was present during the committee consideration of this bill when the Minister without Portfolio (Mr. Richardson) from Manitoba had certain things to say about this measure. I am delighted to see that he is now in his seat.

I anticipated the amendment moved this afternoon by the hon. member for Kootenay West (Mr. Harding) who in fact served notice of his intention to do so during the course of the committee's consideration. Let me make it clear, as did our house leader, that we on this side intend to support the amendment.

I find it a little difficult to understand why this amendment is necessary at the third reading stage in view of what the minister said about the bill during the brief discussion which took place in the committee. I do not want to put words into the minister's mouth, but he indicated that he was in favour of such an amendment and wanted to give this matter more consideration. I am sure he would have done so were it not for the fact that the chairman of the committee ruled him out of order in view of the fact the committee was dealing with clause one. In other words, the discussion was just about at an end and the chairman ruled that we could not go back to clause 4 for the purpose of moving an amendment.

Perhaps I could indicate what the minister said during the committee stage. He suggested that the amendment was a very important one which contained constitutional ramifications, and he referred to the federal-provincial conference. He suggested this matter might be another item on the agenda of that conference. The minister suggested to the committee that he was seriously in favour of such an amendment, that the exclusion of Crown corporations under clause 4 of the bill constituted a very serious anomaly and that consequently we could expect to see the bill amended in this form when it came before the house for third reading. May I call it five o'clock?

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): Order. It is my duty, pursuant to standing order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Housing—provisions to assist low income Canadians; the hon. member for Hillsborough (Mr. Macquarrie)—Post Office Department—dispute with Letter Carriers Union—downward rates revision; and the hon. member for Kootenay-West (Mr. Harding)—Rental charges for boxes.

[*English*]

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.

Is it understood that all the notices of motions preceding No. 33 on the order paper will stand?

Mr. Knowles (Winnipeg North Centre): And retain their position.

The Acting Speaker (Mr. Béchard): Is that agreed by unanimous consent?

Some hon. Members: Agreed.

NOTICES OF MOTIONS

FINANCE

SUGGESTED ABOLITION OF PRIVILEGE OF CROWN AS PREFERRED CREDITOR

Mr. Jack Cullen (Sarnia) moved:

That, in the opinion of this House, the government should consider the expediency of introducing a measure providing that the privilege of the Crown in right of Canada as preferred creditor under federal statutes, such as the Excise Tax Act, the Income Tax Act, the Estate Tax Act, and the Bankruptcy Act, be deleted from those statutes so that the Crown in right of Canada be in the same position as an ordinary creditor.

• (5:00 p.m.)

He said: Mr. Speaker, I see that I already have assistance from the other side of the house. I decided to take action, as I indicated earlier, on this matter because of experience in my own law practice in dealing with matters of this nature. I would assume that anyone who has successfully pursued a debtor to judgment, and has seen that work in effect frustrated by the Crown's prior claim, could hardly oppose my motion.

For the benefit of those who are not engaged as lawyers or in any kind of collection work, it might be of interest to note that in the ordinary course of events an individual creditor will write to his debtor and request that payment be made. Invariably this leads to a dispute, so he retains the services of a solicitor. The solicitor then writes the usual letter, gets the usual reply, and files a writ in the court of competent jurisdiction. He then pursues this matter through all stages of the pleadings, takes it to trial, secures a judgment on behalf of his client and then files what is called a writ of fi, fa, or writ of execution, against the judgment debtor which in fact attaches to all the assets of the debtor. Subsequently the solicitor will usually examine the debtor as a judgment debtor in an attempt to realize any assets which he has.

Having gone through all this proceeding and having been paid for it by the client, it is somewhat difficult to go back to the client and say, "You have a judgment, but unfortunately this fellow was behind in his income tax and the government has realized on the one asset that we were able to trace." I am not suggesting in this motion that the Crown should not be considered, I am only suggesting that the Crown should not be put in the position of a preferred creditor.

This matter has been argued in the courts and the right of the Crown has been opposed. It has been opposed by myself on occasion but, I must say, without success. As long ago as 1934 it was decided that the claim of the Crown against a debtor for unpaid taxes is paramount to the claims of all other creditors. Where the Crown has a claim for taxes against an unsecured creditor, the Crown has a prior claim based upon a prerogative right irrespective of any statute.

The Bankruptcy Act provides—this is an area in which some people believe the Crown is not as well taken care of but frankly, I think it is too well taken care of—that the claims of the Crown come after the claims of nine categories of creditors who are preferred to it. So at first sight one could conclude that the Crown is not really privileged. However, this first impression is dispelled when two factors are taken into account. First the total amount of the claims preferred over those of the Crown is in practice not very important because the number of creditors who have priority is limited and also because each claim is restricted by the provisions of the Bankruptcy Act. Second, except for the limited number of creditors considered by the act as deserving of special status, the Crown remains preferred over any other creditors.

Another matter that is difficult to accept and which should be noted is that the Crown in right of Canada has the same rank as the Crown in right of any province. Moreover, the priority established in favour of the Crown under the provisions of section 95 of the Bankruptcy Act extends to its agents. This is the cruellest cut of all. Indeed, there is a principle firmly established by the cases that unless a statute specifically takes away the Crown privileges from the Crown's agent, it stands exactly in the same position as the Crown. Consequently, according to the Government Companies Operation Act Crown corporations are agents of the Crown and, as I have said, enjoy the same privileges as the Crown itself.

I was certain before I came to this house that this matter must have come to the attention of other lawyers who had the honour to sit in this august chamber. My research came up with no less an authority that the President of the Privy Council (Mr. Macdonald), the government house leader. I note specifically in *Hansard* of May 17, 1967, the remarks

of the hon. gentleman, who was at that time a backbencher and not the house leader; however, I think he rates as a pretty fair authority. The President of the Privy Council said at that time:

> The second of the major areas in which I feel that our slowness in law reform has worked prejudice for the individual has been that of the civil law under federal jurisdiction. Here again I should like to pick two examples: The priority over other creditors which the Crown claims for taxes; and, the heavy stick which Crown expropriators swing against small property owners. In respect of the first, a brief review of the federal taxing statutes illustrates what an advantage the treasury claims over other creditors. With regard to income tax and sales tax, for example, the respective laws provide that all taxes, penalties and costs can be claimed by the Crown as a debt due in either the Exchequer Court or other competent court.
>
> In the case of income tax—

It was my unhappy experience with one of my clients that the income tax people moved in. The hon. member here refers to their moving in as a group of in-laws and hastens to add, quite unlike his own in-laws.

> In the case of income tax, what the Department of National Revenue commonly does is to issue a certificate that the tax has not been paid. That certificate simply is registered in the court as proof that there is a sum due. It is entirely equivalent to the situation of a businessman who has sued and obtained a judgment for a debt. The difference is that the Crown is given the right to skip the ordinary court proceedings and has the amount of the debt set at what it claims, not at what a court has found. This situation works a particular hardship on other businesses in the case of the bankruptcy of a debtor business—
>
> In another situation, the priority given for government taxes works a particular hardship in the case of the intrepid creditor pursuing the hidden assets of a chronic non-payer. The writ of extent, which is the authority issued by the Exchequer Court to collect the tax debt against property, can be used by the department to claim prior security in hidden assets smoked out by an energetic creditor. The creditor does all the work and the revenuers move in to reap the benefit—

Then he said:

> As between the small businessman and the government, why should the government have all those advantages? Why should not the government be confined to the same rights as any other creditor? I suggest that the respective taxing statutes should be changed to take away the Crown's priority for taxes and put it in the same position as other creditors. Surely the important principle here in connection with bankruptcy or non-payment of debts is who can best afford to bear the loss, the small businessman or the vast resources of the government? The answer is obvious.

The answer was obvious to the minister then, and it is obvious today. Therefore I would ask that my motion be given the unanimous support of this house.

Mr. Thomson (Battleford-Kindersley): Mr. Speaker, could I ask the hon. member a question? Does the Crown not have to produce proof that it has a substantial claim in a case of this nature? Does the Crown not have to produce some form of proof that it has a charge under income tax or some other tax?

Mr. Cullen: Mr. Speaker, this is usually done in the form of a certificate. I tried to make this clear in my address. In the ordinary course of events, an individual pursuing a debtor has to go through the whole course of proceedings, and when this has been done he files a notice. The Crown can then come along and say that his notice is wrong and it has a claim for X number of dollars. The Crown then files a certificate to this effect. This is the extent of its proof. It is almost impossible to upset that kind of certificate.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member for Sarnia (Mr. Cullen) has brought to the attention of the house a very important question. With his usual eloquence he has put before us a number of reasons why the proposal embodied in his notice of motion should be given very serious consideration. While one may be very sympathetic to the proposal, it would seem to me there may be other points of view to be brought forward in this respect: for example, the effect of the adoption of this proposal both on the revenue itself and on the taxpayers, who would possibly have to make up for any sizeable amounts of revenue that might be lost to the Crown if this existing privilege of the Crown were changed.

I think it would be useful therefore to have this notice of motion studied by the appropriate standing committee. Perhaps it would be helpful if I once again brought to the attention of the house what I think is the real purpose of notices of motions of this kind. The rules of parliament provide that members cannot introduce bills which will have the effect of changing the balance of ways and means. In other words, they do not have the right to bring bills before the house involving legislation which can affect taxes or financial statutes.

• (5:10 p.m.)

But in order to give members the opportunity of putting forth their views on matters that would come within the broad definition I have mentioned, the Standing Orders permit members to place on the Order Paper notices

of motions in which they state the change they have in mind in a general way so that when the notice of motion comes before the house it can be generally discussed. However, it should be made clear that if such a notice of motion should happen to be adopted formally by the house, it would not actually amend the legislation which the proposal in question is designed to affect. For that matter, if the notice of motion does not formally pass in the time set aside for its consideration under the rules of the house, it does not mean that members of the house are necessarily in opposition to it. Instead it means only that all those who wish to be heard on the question have not had a chance to express their views. So it seems to be useful to place again on the record the real purpose and the true role of notices of motions standing in the names of private members. In this case the hon. member for Sarnia has made good use of the opportunity given to private members to place their views on the record on matters of importance which affect ways and means, which affect financial and taxing legislation and which, under the rules of parliament, cannot be brought forward in the form of formal legislation by private members.

Because, as I suggested at the opening of my remarks, the hon. member has brought forward a proposal which deserves serious consideration, it is now my intention to move, seconded by the hon. member for Chambly (Mr. Pilon):

That the said motion be deemed to have been withdrawn and that the subject matter thereof stand referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Pilon: Mr. Speaker, may I suggest that on account of the federal-provincial conference and because of the snowstorms all over our big country we adjourn until 8 p.m.?

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to agree to the suggestion of the hon. member for Chambly?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Béchard): It being six o'clock this house stands adjourned until 8 p.m.

At six o'clock the house took recess.

[Mr. Gray.]

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

NAVIGABLE WATERS PROTECTION ACT

AMENDMENTS RESPECTING DEFINITIONS, UNAUTHORIZED WORKS, ETC.

The house resumed consideration of the motion of Mr. Lang (Saskatoon-Humboldt) (for Mr. Hellyer) that Bill S-19, to amend the Navigable Waters Protection Act, be read a third time and passed.

Mr. James A. McGrath (St. John's East): Mr. Speaker, when the debate was adjourned at five o'clock I had endeavoured to review what happened in the Standing Committee on Transport and Communications during the committee stage of the bill. The Minister without Portfolio from Manitoba (Mr. Richardson) who was piloting the legislation through the committee, left the impression that he looked upon the proposed amendment as a very serious one. Were it not for the ruling of the committee chairman the minister would have sought advice from committee members on the amendment, which at that time was moved by the hon. member for Kootenay West (Mr. Harding), the mover of the amendment now before the house. The difficulty was procedural and arose from the fact that the hon. member either was not present in committee during discussion of clause 4 or had omitted to move his amendment to clause 4. There was an understanding in the committee, however, that we would be returning to clause 1 for a general discussion. At the conclusion of the general discussion on clause 1 the hon. member for Kootenay West endeavoured to move the amendment he has placed before the house today. At that time the Minister without Portfolio from Manitoba said, as reported at page 219 of Minutes of Proceedings and Evidence No. 12 of the Standing Committee on Transport and Communications.

If it is to be left to me to decide, then I would appreciate the opportunity to have further views of the Committee. I think that we have a very serious difficulty here, as I explained when we talked about this matter last week. It was considered before the amendments were suggested and brought forward for consideration.

He goes on to say:

Can we have your permission to discuss this? I may be out of order here in the face of your ruling—

Then he was interrupted by the committee chairman who ruled that he could not entertain an amendment to clause 4 since clause 4 had already been adopted by the committee. Yet, it was understood by most of us that we were having a general discussion on clause 1.

Later, when replying to a question raised by a committee member when we were discussing procedure and wondering whether we could consider the amendment in committee, the minister said, as reported at page 221 of the evidence of the Standing Committee on Transport and Communications for January 27:

Yes. On this point of jurisdiction, yes. This is why I said that I do not know the full feelings of the Committee but I think I am beginning to sense them now. Certainly it will be given every possible consideration.

Then clause 1 was agreed to and the bill was passed in committee. The minister gave an undertaking to the committee, as will be found if one reads page 221 of the evidence. I understood that the minister was taking the matter under advisement and would report to his colleagues in cabinet what he felt were the views of the committee. In that basis, even though the amendment had not been adopted, we allowed the bill to pass the committee stage.

Today the hon. member for Kootenay West has moved a similar amendment and I would be interested to hear the remarks of the Minister without Portfolio from Manitoba, who had the responsibility of piloting this bill through committee. I am sure that his colleague, the Minister without Portfolio from Saskatchewan (Mr. Lang) will be pleased that he does not have the responsibility of answering hon. members' questions. That hon. gentleman has had the responsibility all day of piloting the various stages of bills through the house.

During his speech the hon. member for Kootenay West, the mover of the amendment, said there were serious deficiencies in the legislation which he would endeavour to correct with his amendment. He said that the bill endeavours to regulate and to impose penalties; it regulates what individuals may or may not do in erecting works or obstructions to navigation. He also said, I believe, that the provisions of the bill in their present form would not apply to federal or provincial Crown corporations set up to develop hydro-electric power. These developments have taken place in British Columbia. Indeed, he said that similar problems exist in every province of this country. Most provinces of Canada have provincial Crown corporations set up to develop hydro-electric power. These developments have led to certain works being done near navigable waters. For instance, many rivers have been diverted in the interest of hydroelectric development and as a result navigation of those waters, as defined in this act, has been seriously impeded. Actually, the navigable waters no longer exist.

I submit we should not forget that conservation is important, and this legislation has aspects touching on conservation. It is necessary to protect and conserve our navigable waters.

• (8:10 p.m.)

We are concerned, too, with conservation in its broader aspect, that of preserving our rivers and streams for present and future generations to enjoy. Conservation is an important subject and we are concerned particularly here with the development of hydroelectric installations by Crown corporations. The hon. member for Kootenay West has referred to projects of this kind in British Columbia. I could refer to developments which are taking place in my own province of Newfoundland, and in Labrador. Many rivers have been diverted for the sake of hydroelectric power generation. Rivers have been dammed, impeding navigation on those rivers in the strictest sense in the process. This is what the bill before us sets out to regulate. Yet, we find this surprising anomaly in the provisions before us, one which the minister himself admitted when he was piloting the measure through the committee.

I think there is only one reasonable way of solving this difficulty. The government should accept this amendment because, after all, all it asks is that the bill be referred back to committee. I would point out that we are dealing here with amending legislation, legislation which cannot be considered as being of an urgent nature. If the bill were referred back to committee, the committee could go into these questions in great detail. Then, the minister could fulfil his undertaking to reach, if possible, a consensus among members of the committee, and proceed along more satisfactory lines. Furthermore, this course would enable the government to study the constitutional aspects involved and possibly to consider having the bill referred to the next

meeting of resource ministers. Certainly, the bill in its present form makes no sense to us on this side and I am sure it makes no sense to supporters of the government. And if the remarks of the Minister without Portfolio (Mr. Richardson) are any indication, I contend it makes no sense to him, either.

I would refer hon. members to the minutes and proceedings of the committee on transport and communications for January 27 when this bill was the subject of clause by clause study. If hon. members, and the minister in particular, wish to approach this matter in a reasonable way I suggest they should accept this amendment. By so doing they would show they were really interested in the subject and that the government has confidence in the work of committees of the house under the new Standing Orders. After all, we are not here merely to rubber stamp committee reports or amending legislation. If this legislation were referred back to the committee there would be an opportunity to seriously consider the amendment put forward by the hon. member for Kootenay West and its far-reaching implications.

Mr. Knowles (Winnipeg North Centre): Does the minister not intend to comment on this amendment? I see the hon. member for Winnipeg South (Mr. Richardson) is present, Mr. Speaker, and I think this is his legislation.

Hon. James Richardson (Minister without Portfolio): I am certain that all the points which have been raised on the third reading of this bill were fully discussed in committee. They were also considered when the bill was reported back to the house. However, I would be glad once again to state the government's view.

I believe there have been at least two main areas of concern. This afternoon the hon. member for Parry Sound-Muskoka (Mr. Aiken) was concerned about the removal of the $5,000 limit. He indicated this would mean that docks and boathouses, whether large or small, would be subject to the requirements of the act. I believe we went into this exhaustively on other occasions, but I should like to emphasize again that only docks and boathouses which obstruct navigation will be affected by this legislation. Under the act as it exists in its present form it would be possible for someone to build a boathouse or a dock costing less than $5,000 in such a way as to obstruct navigation. The purpose of the act is to protect our navigable waters, so it is obviously an improvement to include a provision covering any obstruction to navigation regardless of cost. Surely, this is the answer to the point the hon. member raised.

Mr. Aiken: I am sorry, but I don't follow it.

Mr. Richardson: The hon. member cannot follow it? Well—

Mr. Aiken: Possibly if I were to ask the minister a question it would be fairer to him. Would he accept a question for clarification?

Mr. Richardson: Yes, Mr. Speaker.

Mr. Aiken: The minister has used the phrase "obstruct navigation". He has indicated that if a structure does not obstruct navigation it is not affected by the act. But at what point does a dock, for example, obstruct navigation? Does it depend upon the number of feet it extends into the water? There is no definition in the act.

Mr. Richardson: It is impossible to define on paper or in legislation what constitutes obstruction in every situation. The question must, ultimately, remain one for the judgment of the minister. It cannot be defined in terms of distance in feet. But if there is obstruction to navigation, the structure concerned will be covered by the act and it makes no difference whether it costs less than $5,000 or more.

I believe the most important point with which we have to deal is that put forward by the hon. member for Kootenay West. I was concerned about it in the committee, along with everyone else. The hon. member pointed out this afternoon that the act does not necessarily apply to Crown corporations or to provincial governments. I might mention in passing that in fact most provinces and most Crown corporations have made application under the act. But, having said this, I still know it to be true that in law the provinces are not required to seek approval under the legislation. This is a matter for concern.

• (8:20 p.m.)

I think I should say this. Bill S-19, which we are now considering, does not either strengthen or weaken the act in this respect. The main purpose of this bill is to make certain necessary amendments in the act and it was not thought desirable to introduce major constitutional considerations. This is a relatively minor bill. It did not seem appropriate to get involved with major federal-provincial discussions in relation to a minor

bill amending this act. I need not point out, on this day of all days that the federal government and the provinces have a number of matters to discuss. I would agree that at some time in the future this subject should be on the agenda, but I do not believe it is appropriate for the federal government to take unilateral action by suggesting in an amendment to this act that the provinces automatically be required to make application under the act, since the Federal government has not had prior consultations with the provinces. That is the government's position. It is not that we do not agree that consideration should be given to this matter and that the provinces should be consulted.

We should try to find a way to have the provinces and Crown corporations make application under the act, but we should not do so in this bill, particularly without first consulting with the provinces. I hope, Mr. Speaker, that answers successfully and completely the points that have been raised.

Mr. Harding: I wonder, Mr. Speaker, if the minister would permit a question? Is it not a fact that, even if the amendment were included in this bill, under Section 12 of the act, the federal government could still exempt any Crown corporation or any provincial government?

Mr. Richardson: Yes, Mr. Speaker, that would be true.

Mr. Stanley Knowles (Winnipeg North Centre): I am glad, Mr. Speaker, that the Minister without Portfolio (Mr. Richardson) accepted the suggestion that he speak at this stage of the debate. However, I must say there are two matters which were discussed this afternoon and this evening to which he did not make reference. He made a passing reference to some of the discussion which took place in the Standing Committee on Transport and Communications, but he did not seem to deal with the point raised by the hon. member for St. John's East (Mr. McGrath), namely that in the committee he showed some interest in the amendment that my colleague the hon. member for Kootenay West (Mr. Harding) sought to make. It was suggested this might be dealt with later. I realize it was inadvertent on his part, but the minister said a moment ago this matter was discussed when the bill was reported to the house. I must point out there was no debate at the report stage of this bill. It was passed without debate because there were no amendments at that point. This is the first opportunity there has been to deal with this matter since the committee stage. Someone from the government side should deal more thoroughly with this point. As I read the evidence of the committee's meeting on January 27, the matter appears to have been left in the air. Indeed, it appeared as though the minister thought my friend from Kootenay West had a point which should be seriously considered.

I realize the minister has spoken and I was going to say he cannot speak again, but he can following the vote on the amendment moved by the hon. member for Kootenay West. I hope he will speak again. He can use the time which it takes for the vote to prepare another speech.

I trust the minister will also deal with another matter which was raised this afternoon. As the minister is from Manitoba I thought he would deal with the question of the Indian people at South Indian Lake. It was pointed out this afternoon by the hon. member for Moose Jaw (Mr. Skoberg) and the hon. member for Winnipeg North (Mr. Orlikow) that there was a distinct relationship between the powers of the federal government over navigable waters and what is happening to the people in that area. I do not need to rehash the points and arguments made this afternoon by my two colleagues, but what bothers all of us in this situation is the buck-passing that takes place. The Manitoba government blames Manitoba Hydro, Manitoba Hydro blames the government and they all blame Ottawa. When we try to find out from Ottawa what is going to be done because it is getting the blame, the Acting Minister of Energy, Mines and Resources (Mr. Lang) says there has been no request from Manitoba to renegotiate the contract. Meanwhile, these people are having the whole area where they earn their living flooded by the action of the Manitoba Hydro, but it seems impossible to get any statement in the house concerning the matter.

The hon. member for Winnipeg South Centre (Mr. Osler) raised the matter the other night during the course of a late show. It is not good enough for the government to skate around this issue. As I have already said there will be an opportunity for the minister to speak to the third reading motion after the vote on this amendment. I should qualify that of course. If the amendment carries, the minister will not have to speak as the bill will go back to the Standing Committee on Transport and Communications and the

Division

minister can deal with it there. Perhaps it would be a favour to him if this amendment were to carry. He could then deal with it in the more quiet atmosphere of the committee. I hope that will happen, but if it does not then I call upon the Minister without Portfolio, or some other spokesman for the government to speak before the vote is taken on third reading and to deal with these two points, namely the attitude to my hon. friend's amendment regarding Crown corporations and what the government has to say about its responsibility with respect to the Indian people at South Indian Lake?

Mr. Deputy Speaker: Is the house ready for the question? Possibly prior to putting the question I might make this observation: The amendment moved by the hon. member for Kootenay West (Mr. Harding) appears to me to be a rather novel procedure in the light of our new rules. While I have no hesitation in putting the amendment, I would like to make this reservation. I would like to discuss this procedure with Mr. Speaker.

The question is on the amendment. Is the house ready for the question?

The house divided on the amendment (Mr. Harding) which was negatived on the following division:

YEAS

Messrs:

Aiken	MacLean
Asselin	Macquarrie
Baldwin	McCutcheon
Bell	McGrath
Burton	McIntosh
Cadieu (Meadow-Lake)	McKinley
Carter	McQuaid
Code	Mather
Crouse	Mazankowski
Danforth	Monteith
Downey	Moore (Wetaskiwin)
Dumont	Moores (Bonavista-Trinity-Conception)
Fairweather	Noble
Fortin	Orlikow
Gleave	Peddle
Godin	Ricard
Grills	Ritchie
Hales	Rodrigue
Harding	Rondeau
Hees	Saltsman
Howe	Scott
Knowles (Norfolk-Haldimand)	Skoberg
Knowles (Winnipeg North Centre)	Southam
Korchinski	Stanfield
Lambert (Bellechasse)	Stewart (Marquette)
Laprise	Thomas (Moncton)
MacEwan	Thomson (Battleford-Kindersley)
MacInnis (Mrs.) (Vancouver-Kingsway)	Woolliams
	Yewchuk—57.

[Mr. Knowles (Winnipeg North Centre).]

NAYS

Messrs:

Allmand	Lang (Saskatoon-Humboldt)
Anderson	Langlois
Badanai	Laniel
Béchard	Legault
Benson	Lessard (Lac-Saint-Jean)
Blouin	Lind
Breau	Loiselle
Buchanan	MacGuigan
Cadieux (Labelle)	Mackasey
Cafik	McIlraith
Cantin	McNulty
Chappell	Marceau
Chrétien	Marchand (Kamloops-Cariboo)
Comtois	Morison
Cullen	Murphy
Davis	Noël
Deachman	Olson
Douglas	Orange
Drury	Pelletier
Duquet	Pilon
Foster	Pringle
Gendron	Prud'homme
Gervais	Richardson
Gibson	Rochon
Gillespie	Rock
Goode	Sharp
Gray	Smith (Northumberland-Miramichi)
Groos	St-Pierre
Guay (St. Boniface)	Thomas (Maisonneuve)
Guay (Lévis)	Tolmie
Haidasz	Trudel
Hogarth	Turner (London East)
Honey	Walker
Hopkins	Watson
Howard (Okanagan Boundary)	Weatherhead
Hymmen	Whelan
Isabelle	Whicher
Jamieson	Whiting
Kaplan	Yanakis—80.
Kierans	
Laing (Vancouver South)	

• (8:50 p.m.)

Mr. Deputy Speaker: I declare the amendment lost.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to say a few more words about his particular amendment. As I look around the house I see the minister in his place, and to his left I see a sign. This may be the last indication by a gasping party hanging on the ropes. I am sure it will be a pleasure to have Tommy Douglas back in the house tomorrow. It is interesting to consider whether the hon. member has the right to advertise in the house, but I am sure it will not matter after tonight.

Let me refer to the record in respect of this particular amendment. It seems to me to be a strange situation when a majority is in favour of an amendment made by the opposition, but that amendment is not accepted.

I happen to be a member of the committee on Transport and Communications, and I have no hesitation in saying that had it considered this amendment by my colleague, the hon. member from Kootenay West (Mr. Harding), it would have been passed. I am sure that the majority of the members of this house will vote against the amendment, and we cannot seriously consider this as being strange.

Let me refer briefly to the fact that of the various subjects brought up for discussion in the committee, one of the most important was referred to by a witness in reply to a question as to whether or not the act applied to the Crown. In answering he said that the Navigable Waters Protection Act did not apply to the Crown, federally or provincially. He indicated that if a province did certain work on a navigable water without seeking the prior approval of the minister, there was no part of this act under which we could compel the province to remove the work or meet the specifications imposed by the federal government.

In view of the federal government's refusal to accept the proposed amendment, we have no alternative but to vote against the bill before us.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but I must draw his attention to Beauchesne's citation 165(3) and (4) which read as follows:

(3) By moving or seconding an amendment a member, if he utters a few words, actually speaks to the main motion. It is only after the amendment has been put by the Speaker that it is considered a new question.

(4) A member who speaks in seconding an amendment is unable to speak again on the original question after the amendment has been withdrawn or otherwise disposed of.

Again I am sorry to interrupt the hon. member, but he cannot speak again at this time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise merely to suggest that the hon. Minister without Portfolio (Mr. Richardson) is not prevented from speaking at this point. It was our hope that he would take advantage of the opportunity now to say those things he did not say when he was on his feet before.

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

Mr. Knowles (Winnipeg North Centre): Give him time, he is getting up.

Mr. Deputy Speaker: I can only wait so long for the Minister without Portfolio to rise. Is the house ready for the question?

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I must say I am amazed that the Minister without Portfolio from the province of Manitoba will not avail himself of the opportunity to speak on this subject which has probably received more newspaper coverage in the province of Manitoba than any other matter in recent days.

The hon. member for Winnipeg South Centre (Mr. Osler) has raised this question several times and expressed concern about the consequences of this Nelson River project to the Indians in northern Manitoba. I am sure if he were here he would speak at this time. Since he is not here, and knowing of his concern for the welfare of the Indian people in northern Manitoba, I must state that even though he is a member of the government his sincerity would compel him to rise again and speak to this matter. I hope when I am finished the Minister without Portfolio from Manitoba will endeavour to make a statement. The people of Manitoba have the right to assume that the Liberal government in Ottawa is conniving with the Conservative government in Manitoba to ignore the rights of the native people there.

It may be that the hon. minister is so busy with his cabinet duties he does not have the opportunity to read the reports to which I have referred earlier in Winnipeg newspapers, yet I am sure he is much more closely in touch with the Winnipeg *Free Press* and the type of things that newspaper expresses than any of the rest of us. Let me refer for a few moments to press reports which have appeared in the Winnipeg *Free Press* almost every day. Let me read from an article which appeared in this newspaper on December 20:

A group of University of Manitoba professors is urging the provincial government not to grant Manitoba Hydro a licence for the raising of the water level in South Indian Lake—

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. I should like to inquire whether the hon. member is now speaking to the bill or referring to matters pertaining to the Manitoba provincial government?

Mr. Orlikow: I am surprised that the hon. member for St. Boniface (Mr. Guay), with his broad experience at the municipal level in the province of Manitoba, is not aware of the fact that this project to which I have referred is affected by this government in two ways.

This government will have to contribute a substantial part of the money to finance this project. If the federal government is to provide the majority of the money, it has the right to look into the terms of the agreement.

Since the plan to divert water from the Churchill River into the Nelson River involves a navigable stream, I suggest that under the provisions of this bill the federal government has a responsibility. The reason my colleague moved the amendment, which the hon. member for St. Boniface obviously voted against, has relation to the fact that this project involves a navigable water in respect of which the federal government has a responsibility. This is typical of what one can expect from government members. When a navigable water for which the federal government has a responsibility is affected by a provincial project, we feel this government has the right to be concerned and insist that the proposal, in fact, be in the interests of the people, including Indians in northern Manitoba, even though the hon. member for St. Boniface may not be concerned. When I am finished, if the hon. member for St. Boniface does not agree with me, I urge him to get up and speak in this house. The people of his constituency would be happy to know that he can speak, and that he does occasionally speak.

• (9:00 p.m.)

Some hon. Members: Oh, oh.

Mr. Orlikow: If I may proceed, Mr. Speaker, from where I was so rudely interrupted, I refer again to the report in the Winnipeg *Free Press* which reads:

> A group of University of Manitoba professors is urging the provincial government not to grant Manitoba Hydro a licence for the raising of the water level in South Indian Lake, thereby flooding the homes of more than 500 Indian and Metis people, until all alternatives to the scheme have been fully assessed.

Later in the same news story there is this statement, and the hon. member for St. Boniface should be interested in it:

> Not only would the Indian and Metis homes be flooded, but the water would inundate about 1,100 square miles of forested shoreland—almost three times the area mentioned during a debate on the scheme in the legislature last spring.
>
> Beautiful rocky shorelines and wide shady beaches in the area would give way to impassable swamps of drowned forests and piled-up debris, a situation which would probably prevail for many decades to come.
>
> Trapping in the area would be greatly reduced, if not eliminated, while there was a danger, with present spawning grounds being destroyed, that commercial fishing on the lake would no longer be profitable.

Several days later the Winnipeg *Free Press* made a further report on this question. I quote from the Winnipeg *Free Press* of January 25:

> The real area of concern, therefore, is not centred on the engineering validity of the project but on the consequences of flooding the natural and human resources in the area and on whether these were taken into proper account before the scheme was approved.

Mr. Lind: Mr. Speaker, would the hon. member permit a question?

Mr. Orlikow: Certainly.

Mr. Lind: Has the hon. member looked into the riparian rights of the Metis along this lake shore?

Mr. Orlikow: I am not a lawyer, and I am not an expert on riparian rights. But one does not have to be an expert in the law to know that the white people of Canada, those like the hon. member, myself and the other members of this house, have a moral responsibility to the native people of northern Manitoba.

Mr. Lind: Mr. Speaker, the hon. member—

Mr. Orlikow: I permitted a question, Mr. Speaker, and when I have finished I will be glad to hear the hon. member.

Mr. Lind: The hon. member has not answered my question, Mr. Speaker. The hon. member for Kootenay East used to ask the hon. member for York-Humber all the time: What about the riparian rights of these people? I am just asking him whether he has looked into the riparian rights of the Metis around this lake.

Mr. Orlikow: Mr. Speaker, I answered the question by saying that I am not an expert on riparian rights, and I do not think one needs to be in order to appreciate this problem. The hon. member laughs. I assume he laughs because he is not very concerned about the problems of the Indians in northern Manitoba.

Mr. Lind: I certainly am concerned about the problems of the Indians, Mr. Speaker, but I would like the hon. member to realize what riparian rights are.

Mr. Deputy Speaker: Order, please. I have some doubt as to the relevancy of the hon. member's remarks. I am prepared to give him

the benefit of the doubt, but I would appreciate it if he would demonstrate to me how the remarks he is now making relate directly to the bill. If he cannot do this, perhaps he would like to deal specifically with the bill.

Some hon. Members: Hear, hear.

Mr. Orlikow: As I understand it, Mr. Speaker, the bill deals with any works which affect navigable waters. Obviously, if you divert 75 per cent to 80 per cent of the waters of the Churchill River there will not be much left in the way of a navigable stream. Therefore, it seems to me that what I am saying is directly related to the bill.

I know that hon. members opposite want to get on with the business. However, my colleague the hon. member for Winnipeg North Centre (Mr. Knowles), when we were discussing the amendment appealed to the Minister without Portfolio to discuss this matter further, because it is of vital concern to the people of the hon. member's and my own province. The minister did not see fit to deal with this question. I am sorry that I have to take the time of the house, therefore, to deal with this very important matter and thereby preventing the house from proceeding to other business as hon. members opposite would like to do.

If the minister had dealt with the subject, it would not be necessary for me to continue with these remarks. As I was saying, the article in the Winnipeg *Free Press* reads:

> The real area of concern, therefore, is not centred on the engineering validity of the project but on the consequences of flooding the natural and human resources in the area and on whether these were taken into proper account before the scheme was approved.

That is precisely what we would like to know, namely, whether the federal government looked into this question before it gave approval to the plan, not only its approval in a general way but before it agreed to put hundreds of millions of dollars into this project in northern Manitoba. I am not objecting to the development of hydro power in northern Manitoba. I am just as concerned as every other citizen of the province that we use the resources we have. But I want to be sure, as do the people who are much more knowledgeable and experienced than I in these matters, the professors of the University of Manitoba, that all aspects of this matter have been studied by the government. The professors of the University of Manitoba were asked to study the question and make reports to the government. These reports have been conveniently hidden by the government. I do not know why. I do not know whether the Minister without Portfolio knows. I do not know whether anybody in the federal government knows or has ever thought to ask, but it seems to me that the people of northern Manitoba have a right to know what was in those reports and what the effect on northern Manitoba will be as a result of this tremendous undertaking. The Winnipeg *Free Press* states further:

> —if the serious loss of natural resources in the area and the cost of relocating people affected by the flooding and providing them with a new, strong economic base is added to the engineering costs of the Manitoba Hydro project, does it still stand up as the only plan which could have been used in the circumstances?

It seems to me that ministers of the Crown have a responsibility to look into this question. Amongst the reports which the Winnipeg *Free Press* says were tabled with the Manitoba government, and which they have refused to make public so far, is one which the *Free Press* summarizes as follows:

> The report, made public for the first time yesterday in an exclusive *Free Press* story, forecasts that the flooding plan would ruin natural and human resources in the Southern Indian Lake area and would also have serious side effects on the northern towns on Churchill and Thompson, and the Indian community at Nelson House.

There are at Nelson House 1,300 Indian people. If you have a serious effect on 1,300 people at Nelson House, plus the 600 at South Indian Lake, you have a total of 2,000 people who may move from a position where they have until now been able to earn their own living. This is not a position, I am sure we would all agree, in which too many of our Indians find themselves because they have to depend to a large extent on welfare provided by the federal government. The Winnipeg *Free Press* article continues:

> The report says that the proposed flooding would probably mean the end of profitable fishing and trapping industries in the Southern Indian Lake area and would make the new enlarged lake useless for anything other than the water storage reservoir which is planned—
>
> The report says that because of high water in the Burntwood River after flooding there would be adverse effects on natural resources in the Nelson House area, and that the people may no longer have a satisfactory base for a major part of their existing livelihood—
>
> John Hicks, president of the Churchill Whalers Co-operative Association, said that up until now—

That was January 25.

> —the association had not been "too worried" about the possible effects of a reduced flow in the Churchill River after the diversion scheme on the white whale industry in the river estuary.

But he added: "In view of what this report says I would imagine we would want some clarification from the provincial government on this matter."

The white whale industry at Churchill provides about $16,000 in wages during the summer months to 120 Indians, Metis and Eskimos employees. Mr. Hicks agreed that any injury to the industry would be a bad blow for the people in the area.

I do not want to continue,—

Some hon. Members: Hear, hear.

Mr. Orlikow: —although I could go on for hours.

• (9:10 p.m.)

It does seem to me that the Minister without Portfolio from Manitoba has a moral responsibility to the people of Manitoba to put on the record what the federal government knows about these very serious charges which have been made by responsible people in Manitoba. These people have been aggravated by the absolute refusal of the government of Manitoba and of Manitoba Hydro to make this information available to anyone who has the ability to study and evaluate it. It seems to me that until the minister does make this information available, we in this group will not believe that the government is prepared to do anything. We certainly cannot vote for the bill as it is as the present time.

Mr. J. G. Lind (Middlesex): May I ask the hon. member for Winnipeg North (Mr. Orlikow) a question? Has the Whalers Association, which the hon. member mentioned, not the right to appeal under the riparian rights rule? Could the hon. member explain that to me?

Mr. Orlikow: I said earlier in answer to a question from the hon. member that I was not an expert on riparian rights. I think the hon. member should communicate with the former member for York-Humber who used to be a Liberal, I do not know whether or not he is one now, and he can get all the information on riparian rights from that former member.

Mr. Lind: Yes, but we used to hear about riparian rights from the former member for Kootenay East.

Mr. Orlikow: He is on the hon. member's side too.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I do not want to talk at any length on this bill—

Some hon. Members: Hear, hear.

[Mr. Orlikow.]

Mr. Gleave: Good for you. But there is something at stake here. The flow in the South Saskatchewan River has been lowered so that when two kids put a canoe in the river they cannot even float the canoe down from Saskatoon to Prince Albert. This is part of the same system that the hon. member for Winnipeg North (Mr. Orlikow) is talking about because the South Saskatchewan and the North Saskatchewan flow into the Churchill. What is really being discussed here tonight is whether or not we are concerned about the level of water in navigable rivers.

It is fine to talk about riparian rights, whatever they are. I have some notion about what the hon. member opposite was talking, because at one time I tried to dig a couple of ditches to run some water from one place to another and someone said to me "you haven't got the water rights so you cannot run the water down that ditch". That is what riparian rights are about. Let us not lose sight of the real issue by talking about some technicality. What is at stake here is the fact that two or three years ago the people in the city of Prince Albert and the city of North Battleford found their water unfit to drink. The water was being polluted upstream to such an extent that it was not fit for use. This is what people have been trying to discuss here this afternoon and evening, and this is what members on this side of the house have been hoping would be answered. This is our purpose. I thought it advisable to point out these facts because they represent my point of view on the matter.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have a question. The minister of Indian Affairs and Northern Development (Mr. Chrétien) was here a few moments ago but I see he has left so perhaps the Minister without Portfolio could answer it. What action, if any, has the Department of Indian Affairs and Northern Development taken to make arrangements for those Indians who have been dispossessed by the rise of the Peace River created by the Portage Dam and by the present construction on the river north of Manitoba? Does the Indian affairs department look after the rights of the people in this respect, and if so, what have they done?

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

Mr. Knowles (Winnipeg North Centre): We are still waiting for an answer from the Minister Without Portfolio.

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I have covered all the points several times, but I will be glad to state the government's position once again for the hon. member for Winnipeg North Centre (Mr. Knowles). I think the main point that seems to be concerning him and other speakers is the fact that provinces and Crown corporations are not required to make application under the Navigable Waters Protection Act. As I said earlier today, in most cases they do but there have been instances where they have not made application and the law does not require it. The government's position is that this is a minor bill which is making a lot of useful amendments to the act, but the government does not want to make this minor bill into a major constitutional issue. As I said earlier today, there is enough going on today in that field without adding navigable waters. It is my belief that it would be a good idea to require provinces and Crown corporations to make application under this act, and I have said so. However, I do not believe, and this is the government's position, that it would be appropriate to achieve this purpose in Bill S-19 because, as I said, the bill would then become a major issue.

All this bill is doing is tidying up the act. I think we should pass this bill and then, in due course, get down to the other major consideration of federal-provincial relations with regard to navigable waters.

Mr. Knowles (Winnipeg North Centre): Before the minister sits down would he comment on the situation at South Indian Lake?

Mr. Richardson: Mr. Speaker, the situation at South Indian Lake is a case in point. If Crown corporations and provinces were required to make application under this act, then there would be federal jurisdiction. Since there is no federal jurisdiction, the matter of whether the province had to make application under this act is not open to debate. I do not think this matter can be settled in this bill.

Mr. Knowles (Winnipeg North Centre): So the federal government is washing its hands of that situation.

Mr. Speaker: Order, please.

Is it the pleasure of the house to adopt the said motion?

All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

Some hon. Members: On division.

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

• (9:20 p.m.)

FISHERIES IMPROVEMENT LOANS ACT

AMENDMENT SUBSTITUTING RATE PRESCRIBED BY GOVERNOR IN COUNCIL

Hon. Jack Davis (for the Minister of Finance) moved that Bill C-151, an act to amend the Fisheries Improvement Loans Act as reported (without amendment) from the Standing Committee on Fisheries and Forestry on Friday, February 7, 1969, be concurred in.

Motion (for concurrence) agreed to.

Mr. Deputy Speaker: When shall the said bill be read the third time? Now?

Some hon. Members: Now.

Mr. Davis moved the third reading of the bill.

Mr. Baldwin: On a point of order, Mr. Speaker, may I ask whether the minister intends to make a statement at this time? I understood at the committee stage that he was most anxious to discuss an amendment, and that he might give us the benefit of his views now.

Mr. Davis: As the house knows, this bill received second reading, was referred to the Standing Committee on Fisheries and Forestry, and is now back in this chamber for third reading. It deals with the Fisheries Improvement Loans Act. More particularly, it increases the number of commercial lenders and makes a new provision with respect to interest rates, one which is more realistic in present circumstances. Finally the bill increases the liability of the government as a result of the new financial provisions in the proposed amendments to the act.

I should like to refer, now, to another desirable amendment to the act. This proposed amendment was incorporated in a notice

which I sent to the Clerk of the House on February 5, 1969. I also commended it to the Committee on Fisheries and Forestry during the course of its deliberations on Thursday, February 6, as many hon. members present know. The notice I sent to the Clerk of the House of Commons was to the effect that after Bill C-151 had been reported back to this house I would propose under standing order 75 the following motion:

That Bill C-151, an act to amend the Fisheries Improvement Loans Act, be amended by renumbering clause 2 thereof as subclause (2) of clause 2 and by adding as subclause (1) of clause 2 the following:

2. (1) All that portion of paragraph (d) of subsection (1) of section 3 of the said Act following subparagraph (ii) thereof is repealed and the following substituted therefor:

"did not exceed twenty-five thousand dollars;"

As hon. members know, the intent of this amendment would be to raise the maximum individual fisheries loan limit from $10,000 to $25,000. I understand the authorities were concerned about whether or not this amendment constituted an additional charge on the Consolidated Revenue fund, or, alternatively, an increase in the contingent liability of the government. They were concerned, in other words, lest a message of recommendation of the Governor General might be necessary before such an amendment would be in order. I say "might" because I am personally not convinced that this amendment would, if carried, increase the liability of the government over the $20 million covered by this legislation.

There is, however, another and important reservation. I am advised that the proposed amendment is not acceptable on another and altogether different ground for reasons which are only now becoming clear because they relate to the new rules under which this house is operating. I now find that any amendment of the character to which I alluded in the Committee on Fisheries and Forestry, or such as I have read into the record, would not be acceptable because the intent of the amendment is sufficiently different from the main provisions of Bill C-151 as to disqualify it. Accordingly, at least in the opinion of the authorities, it cannot be contemplated at any stage after the adoption of the motion for second reading.

I, personally, believe that the Fisheries Improvement Loans Act must be amended in the way suggested, in other words, so as to permit the maximum amount of a loan to be increased from $10,000 to $25,000. I am therefore proposing, with the support of the President of the Privy Council (Mr. Macdonald), to introduce another bill which will contain a single clause to this effect. It will be identical in almost every respect with the bill to amend the Fisheries Improvement Loans Act which was passed in 1965, dealing exclusively with the ceiling on individual loans.

This is an important provision. I believe it must be enacted, and enacted soon. I find that fishermen across the country need loans in excess of $10,000. Indeed, it is debatable whether $25,000 is adequate for their purposes, either for building new boats or for re-equipping existing vessels. I, therefore, undertake to bring in a new bill and, as I have said, I have the assurance of the office of the President of the Privy Council that this will receive top priority. That is my statement, Mr. Speaker.

Mr. Lloyd R. Crouse (South Shore): I listened with interest, Mr. Speaker, to the statements made by the Minister of Fisheries (Mr. Davis), and I wish to comment briefly on the bill which is presently before the house.

When the Fisheries Improvement Loans Act received Royal Assent on July 11, 1955, the amount of any loan which could be made to an individual fisherman could not exceed $4,000 and under the terms of the loan it was repayable in full over a period of not more than eight years.

The Act was amended on March 20, 1959 to provide broader coverage to individual fishermen, and the term "fisherman" was more clearly defined. The Act was again amended on March 23, 1962, extending the powers granted to the Minister to June, 1965. On June 23, 1965, the legislation was further revised raising the amount of any loan to fishermen from $4,000 to $10,000, and the repayment period was extended from eight years to ten years.

Since the latter change was made we have seen a substantial rise in the cost of living. Inflation has eroded the purchasing power of the dollar and the cost of goods and services to Canadians has been rising constantly. In my opinion, the act has never been fully utilized by our fishermen; only 2,586 loans to a total of $6,168,800 have been made since it was first brought in as long ago as December, 1955. If the present ceiling is retained, the legislation might well be used to even less effect in the future.

It was for this reason I proposed in the committee that the act be amended with specific reference to the amount which might be borrowed and the term set for repayment. I realized that my proposed amendment dealt with the finances of the country. At the same time, the changes I suggested had to do only with loans being made by lending institutions, and since such loans are fully secured, normally by way of mortgages on articles purchased, or liens on the equipment and stock of borrowers, I considered they would not impose any new responsibilities on the government. However, in any event, my amendment was not accepted by the committee.

What do we see happening now with regard to this legislation? There is no proposal to extend the period during which loans have to be repaid. Instead, we are being asked to sign a blank cheque in respect of the rate of interest to be paid by fishermen on loans approved in the future. This represents a vital departure from the provisions of the original act which stated simply that the rate of interest to be charged on the loans was not to exceed 5 per cent per annum, simple interest. We are told, now, that in connection with future loans made under the act fishermen will have to pay a rate of interest to be prescribed by the Governor in Council. That is what the bill says. The rate of interest that is set may well be the same as the rate prescribed under the National Housing Act; or it could be higher. No one knows, except members of the cabinet who will set this rate under order in council. The bill provides, for the guidance of fishermen, that the rate of interest on fishery improvement loans shall be set by the Governor in Council. But this is not what the minister says, Mr. Speaker. He, of course, is privy to discussions in cabinet and he knows what the cabinet proposes to do. Surprisingly, the Minister of Fisheries (Mr. Davis) has not seen fit so far to amend this legislation in accordance with his statement at the annual meeting of the United Fishermen and Allied Workers Union at Vancouver on Saturday, February 1. This is what the minister had to say about interest rates to the fishermen of British Columbia:

• (9:30 p.m.)

You will be able, within the next month or two, to borrow this money from a wide range of commercial sources at a lower interest rate than the rate paid by the biggest corporation in the country. In a month or two you will be able to borrow money at 7½%. This is less than the 8 to 8½% which B.C. Packers has to pay for new money. It is only 1% more than the "cost of money" to the Federal Government itself—to the Government of Canada which will be guaranteeing every loan made under our new federal Fisheries Improvement Loans Act.

The interest rate itself is geared to the interest rate paid by the Government of Canada on its long term loans. If Ottawa pays 6% on its new borrowings, then you will be asked to pay 7%. If the federal borrowing rate falls to 5%, then you will pay 6%. If it goes down to 4% then you will pay 5%. The difference is always 1% and the rate under these new loans will go up and down along with the changing cost of money to the Canadian Government in Ottawa.

However, we tried to amend the act; at least, we tried to incorporate the minister's words into the bill. We suggested in the committee that the bill should be amended and that the rate of interest to be charged should be 1 per cent only above what it costs the government to borrow money. We did not receive any support on our effort to have the words of the minister's statement included in the bill. Liberal party supporters seemed more interested in supporting a partisan approach to this matter rather than permitting the official opposition to amend the legislation in keeping with the stated intent of the minister. If it is the government's intention to gear the interest rate on fishery improvement loans to the interest rate paid by the government of Canada on its long term loans, why does it not come out and say so, and spell it out in this legislation? What have you over there to hide from the Canadian fisherman? No wonder the fishermen of Canada to date have looked with obvious mistrust and misgiving at this particular act.

Since the inception of this act, where have the loans been made, Mr. Speaker?

Mr. McGrath: Mostly in British Columbia.

Mr. Crouse: My hon. friend says, in British Columbia. During the fiscal year ending March 31, 1968, a total of 280 loans were made in the total amount of $1,273,924. This total covers all Canada. Since we are concerned with the lack of use of this legislation, I wish to place on the record the number of loans and the amount obtained in each province during the last year.

If we look at the report, as tabled, of the Deputy Minister of Finance—I am referring to the 1967-68 annual report for the fiscal year ending March 31, 1968—we see that in British Columbia 147 loans were made for a total amount of $987,905. In Alberta, there were no loans and there is no amount. In Saskatchewan, there were no loans. In Manitoba there was one loan $2,500. In

Ontario there were 3 loans for $2,085. For New Brunswick, one of the provinces of Canada with a large and growing fishing industry, there were no loans and there is no amount.

An hon. Member: Shame.

Mr. Crouse: In Nova Scotia, there were 46 loans totalling $159,889. In little Prince Edward Island, there were a large number of small loans for lobster boats. The 80 loans there totalled $113,945. The biggest fishing province of all, Newfoundland, has no loans set against it and no amount. I am sure the hon. member from Newfoundland will have something to say about this later.

Mr. McGrath: That shows how interested the government is in the Newfoundland fishing industry.

Mr. Crouse: A total of 280 loans have been made under this legislation for a total amount of $1,273,924. I wonder why this legislation has not met with greater favour among our fishermen? Obviously, our fishermen are a good risk. The report tabled for the fiscal year ending March 31, 1963, shows that since the inception of the act the government has paid only nine claims amounting to $4,543. What other industry, what other lending institution, can boast such a record? I submit this record shows the strong character of our fishermen. It shows their integrity and desire to adhere to a principle or a set of values. It is evident that once a fisherman assumes a financial responsibility it is not something he takes lightly. It is a burden to be carried and a debt to be repaid, even though sometimes it is repaid at great personal sacrifice—a sacrifice he, his wife and family bear.

These facts must be stressed strongly by the minister and should somehow be recognized in a special release from his department. At the very least, these facts should be recognized by the minister when he moves his amendment. It is his stated objective to amend this legislation at a later stage by bringing in a new bill.

The minister has suggested that the amount which may be borrowed should be increased to $25,000; but he said nothing about increasing the time permitted for the repayment of the loan. As a result we, on this side of the house, are prepared to move a subamendment, if necessary, stipulating that the loan shall be repayable in full, according to the terms thereof, in not more than 15 years. A fisherman will not take this extra time to pay if fishing is good and his earnings are high. The life expectancy of his wooden boat is greater than 15 years. In my view the fisherman ought to be given this extra time if he requires it, in order to meet his payments.

I am pleased the minister has indicated his intention to move a motion at a later date calling for an increase from $10,000 to $25,000 in the amount which can be borrowed. In today's inflated, high cost society, this amount is still not adequate to assist our fishermen in getting established. But even in biblical days, a few loaves and fishes fed the multitude. I suppose it is not necessarily the quantity of material available that matters but the manner in which it is used which is important.

The fisherman will have to work out his own program under the new terms of the loan. We endorse and approve the amendment, even though the minister's methods of promoting the change are rather strange. I say this because this bill received second reading on January 21, 1969. At that time there was no mention in the bill of changing the upper limit of the amount to be borrowed. The measure received second reading and was referred to the Standing Committee on Fisheries and Forestry for clause by clause study. However, in a speech on February 1 in Vancouver the minister had this to say about the Fisheries Improvement Loans Act:

> No doubt you will ask me how you, as an individual fisherman, can hope to own your own boat. I will reply by saying that you should take advantage of our new federal Fisheries Improvement Loans Act. This Act, which has recently been updated, is geared to finance loans of up to $25,000. You can borrow up to 75% of the cost of a new boat, or new gear, or a new shore installation. You can borrow up to $25,000 from any bank, or credit union, or insurance company. And you will be able to borrow this money at a lower rate of interest than is available to anyone else in Canada —anyone that is except the Government of Canada itself.

• (9:40 p.m.)

Let me say at once that we agree with the minister and approve of his suggestion that the loan limit be raised. However, we disagree with the kite-flying methods used by this cabinet when endeavouring to establish government policy. For example, the Postmaster General (Mr. Kierans), says we should get out of NATO while the Minister of National Defence (Mr. Cadieux) tells the nation that NATO is vitally important to the future protection of this country. At the same time the Prime Minister (Mr. Trudeau), says that neither minister was stating government policy. The minister in charge of housing, the Minister of Transport (Mr. Hellyer), states the 11

per cent sales tax on construction machinery and building materials should be removed in order to speed up housing development in Canada. At the same time the Minister of Finance (Mr. Benson) has told the house that the sales tax will only be removed over his dead body.

These controversies do not aid our regional problems, do not strengthen our national unity and are obviously put forward by the government to keep the country guessing while they procrastinate on policy. This is what the Minister of Fisheries (Mr. Davis) has been doing, procrastinating on policy. While the fisherman waits for a definite policy under the Fisheries Improvement Loans Act, the minister goes kite-flying in British Columbia. While the fishermen on the Atlantic coast wait for a program of subsidies which will enable them to improve their fishing fleet, or wait for an indication from the minister with regard to his over-all policy for fisheries development, all we receive from him in reply to questions concerning policy are negative and evasive answers.

Since the diversification of groundfish production became firmly established on the Atlantic coast, seldom in our history have there been occasions when the fishing industry has been so severely or widely threatened. Only three or four species have enabled the industry to remain solvent. Groundfish are being sold today in many instances for less than the cost of production.

In order to avert still more serious dislocations in fishing activity, which will be most difficult to repair once they have occurred, quick action is needed on the part of federal authorities. Constant losses and tightening credit, plus escalating costs for equipment, plus some of the lowest prices in history for groundfish products, have placed our fishermen and producers on the Atlantic coast in a precarious position. Despite all our effort to have the Minister of Fisheries and the government act on this important matter, to date all we have had from the government is a do-nothing, procrastinating attitude. We need action from this government on Canada's territorial seas and fishing zone limits. This act was passed in 1964 and yet we heard today from the Secretary of State for External Affairs (Mr. Sharp) that discussions and deliberations are still going on with the governments of the United States, France and other countries on this important matter.

The government promised the fishermen during election campaigns in 1962, 1963 and 1964 that this act, when passed, would be implemented by unilateral action. We need action from the government on conservation measures, and this can only be done adequately by calling another conference on the law of the sea. The fisheries industry needs a spokesman at the United Nations to alert other fishing nations to the fact that our resources on our continental shelf are not inexhaustable. When we ask what is being done about this very serious problem, the only reply we receive is that it is under consideration; maybe something will be done next week or next year. When are we going to see something done on these urgent matters?

These are but a few of the urgent matters requiring attention, but I stress them to the Minister of Fisheries and the government in the hope that something will be done. In view of the large area, the large number of fishermen and their families as well as the ancillary industries which are affected by our fisheries, I express the hope this government will take early action to correct some of these problems which are creating serious financial difficulties for the fishing industry of the Atlantic provinces.

Mr. Randolph Harding (Kootenay West): I want to make a few brief remarks on this bill, Mr. Speaker. I was frankly amazed when the minister announced at the start of the discussion that he would like this bill to pass and that another amending bill would be introduced. I think this is a sign of sloppy drafting. In my opinion, the legislation should be held up and a completely new draft introduced.

Mr. Davis: On a point of order, Mr. Speaker. I did not propose that any bill be brought in to amend this bill or to deal in fact with any part of this bill. As I understand it, the subject matter of my proposed amendment is outside of this bill and therefore can only be accepted in the form of another bill. This proposal of mine is not one to amend the bill now before the house, but to bring in another bill which fits the rules better and indeed would only be acceptable as a separate bill and not as an amendment to this bill.

Mr. Harding: I thank the minister for his explanation, but I understand the new bill will still amend the same act which his bill is amending. Is that not so?

Does the minister tell us he cannot introduce legislation such as this? My understanding of statutes is that a bill to amend an

act can be all-inclusive. In my opinion there is no need for two bills to amend the same act in the same session. However, I will not press the point. I feel, Mr. Speaker, this indicates quite a number of very important issues have been missed. I would like to see an all-inclusive bill introduced.

There is just one point which I should like to leave with the minister in view of his suggestion that another bill might be introduced. He probably has this already in mind. I am happy to hear that the ceiling will be raised. However, I am not sure that $25,000 is the proper amount. In 1965 the amount was raised to $10,000. The minister has suggested this amount should be raised to $25,000 and I am of the opinion it should be higher than that. I agree with the previous speaker that an extension of the repayment time is essential. The hon. member made an excellent presentation in this regard.

A point was brought to my attention in connection with boat insurance. I am not sure, Mr. Speaker, just what the limit is in so far as insurance on fishing vessels is concerned. I recently received a letter from one of my constituents suggesting there should be a sharp increase in the ceiling on boat insurance. There is no doubt values have risen immensely in this particular field and permissible insurance ceilings should rise accordingly. I ask the minister to study this problem, if it is really a problem, facing the industry at large.

• (9:50 p.m.)

That is all I have to say, Mr. Speaker, but I too am very interested in all these bills which affect certain sections of the various industries of Canada. I think we cannot be too careful in making sure that the legislation being put on the statute books is good legislation and deals with values and prices as of 1969.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker I rise only because I would like to take a leaf out of your Honour's book and enter a caveat with respect to some of the points that were made by the Minister of Fisheries (Mr. Davis). He said that he had consulted the authorities. That is quite a phrase. Sometimes the authorities are people, sometimes they are books, and there are plenty of both.

I agree with the minister when he says that in order to amend this bill in a way that might involve the expenditure of money not envisaged in the bill as it was first presented, it would be necessary to bring before the house the approval of the Governor General. But when he says that he cannot amend this bill, which is a bill to amend the original act, by adding to it other amendments to the original act I think he had better go back and discuss that with the authorities again. As a matter of fact, I suggest to him that he might be in even greater difficulty bringing in a second bill in the same session amending the original act than he would be by trying to get some amendments incorporated into this bill. It all depends on what he does.

He says that the amendments in his new bill will not be amendments to this bill, that they will be amendments to the original act. But if there is any inconsistency or any conflict I suggest he could be in the same kind of trouble that our friend Jack Pickersgill got into on one occasion. I would remind the minister that there have been occasions when bills that had already been presented and started were amended beyond what was originally intended. It used to be that this meant going beyond the terms of the resolution preceding a bill. We have done away with that, but we still have to consider the intention of the bill as agreed to by the Governor General.

For example, I think of the medicare bill which had written into it a clause having to do with other than medical services. At first, it was argued that this could not be put into the bill because it was not part of the original intention. But when the government finally did do it, it did so by bringing in another recommendation from the Governor General. There was the Canada Pension Plan, and I remember once or twice that Mr. Garson did this kind of thing in the days when he was here. I am sure there are other examples of this, where matters that were germaine to the general subject were brought into the amending bill before the house.

As I say, I think it would be less difficult to amend this bill by adding something else, as long as you get the approval of the Governor General, than it will be to bring in a second bill in the same session amending an act on the statute books. Frankly, I think the suggestion made by the hon. member for Kootenay West (Mr. Harding) is the best one. The minister should let this bill stand or ask that it be withdrawn and bring in a completely new bill incorporating the things in this bill that he wants and the other proposals that he would like to make.

I do not raise this as a point of order, Mr. Speaker. Indeed, the minister did not present

his arguments as a point of order but I felt that I for one could not let his remarks go unchallenged as though they were the gospel. As you know, the gospel, can be according to various authorities, and I think this might well have to be looked into.

I would urge the minister to consider asking that this bill be withdrawn, or at least asking that it stand, and that he bring in a completely new bill, so we will have one bill at this session making all the amendments that he wants to make to the Fisheries Improvement Loans Act.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I am inclined to agree with the previous speaker. As I said on an amendment the other day, we are making our way with these new rules and I think once again there has been sloppy work on behalf of the government. Surely, the government has the staff and the facilities to enable these bills to be amended in committee. I would like to thank *Hansard* for spelling that word "kafuffling" right the other day. This is just more kafuffling.

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I call it ten o'clock by consent?

Some hon. Members: No.

Mr. Deputy Speaker: Order, please. There is no agreement.

Mr. McGrath: Mr. Speaker, I listened with a great deal of interest to the minister's remarks on third reading of this bill. We had a fairly wide ranging discussion on the resolution that preceded this bill before the new rules were established. We had a good debate on second reading of the bill, and I understand there was a wide ranging discussion on the bill in the committee.

Since the bill was first introduced, Mr. Speaker, and following remarks that were made regarding the serious problems facing the fishing industry in Canada, more particularly the crisis facing the groundfish industry in eastern Canada, we have seen the government relax its rather rigid attitude. Initially, the minister indicated the government was not going to do anything about the crisis in the groundfishing industry until the end of the present fiscal year, which would be in March. Notwithstanding the fact it had been pointed out to the minister that the crisis was a real one, that fish plants were closing down in the province of Newfoundland, that five plants closed down in the last calendar year, and that there was a danger of other plants closing, the minister did not intend to act until the end of the fiscal year.

However, as a result of the representations made in this house, the minister relaxed his rigid attitude. He has now given us an undertaking that he will be making a statement to the house before February 21, at which time he will be announcing interim and long-term measures designed to cope with the problems facing the groundfish industry in eastern Canada. May I call it ten o'clock, Mr. Speaker?

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, may I ask the acting government house leader if we are going to descend into the omnibus Criminal Code amendment debate again tomorrow.

Mr. Olson: Mr. Speaker, the announcement of government business that was made by the house leader on Thursday, February 6, indicates that the omnibus Criminal Code amendments bill will be before the house tomorrow. If that should pass, perhaps we could go back to the bill that was before the house until ten o'clock today. If we deal with that matter then we would take up bills C-155 and C-154.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order 40 deemed to have been moved.

HOUSING—PROVISIONS TO ASSIST LOW INCOME CANADIANS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, ten days ago I quoted the opinion of the Canadian Welfare Council that the report of the Hellyer task force on housing includes no proposals to help the one million Canadians with annual incomes under $5,500. I asked the minister what other proposals he had to provide housing for these people. Tonight, I ask him the same question, or whomever he has delegated to answer.

I am not denying that there are some good proposals in the report but they are proposals that would help the upper income levels of our population. The decision to cold storage

public housing and urban renewal is a shocking betrayal of those who most need help, those who cannot possibly provide homes by their own efforts. Up to now the government has discriminated in favour of those best able to provide houses for themselves. What we need now is government discrimination in favour of the lower income half. I refer to the elderly, the single parent families, the great group headed by women with dependant children, employed people whose wages will not allow them to buy a home under any circumstances or even rent one that is not a firetrap, a rat trap, or both. The method of attacking existing public housing projects for their bad features does not provide an excuse for failing to build good, modern ones. In a second brief presented to the task force on November 29 last, the mayor and council of my own city said:

• (10:00 p.m.)

> The city of Vancouver is extremely concerned at any suggestion that the federal government withdraw or in any way limit its involvement in urban renewal schemes. On the contrary, it is the city's view that such involvement must be increased.

While the brief states that there has been a reaction against the concentration of low income and welfare recipients into areas stigmatized as "ghettos", and while admitting that the idea of public housing has not yet been accepted by all communities, nevertheless, the brief suggests:

> —the city feels very strongly that public housing, as presently contemplated, is one way of accommodating those people who are economically unable to provide for their housing needs.

The federal task force has failed the city of Vancouver. It has failed the people of Vancouver, thousands of them, who need housing and cannot get it on their own. It has failed the people of every city across Canada who are in the same miserable dilemma. By seeing only home owners and potential home owners, by raising the N.H.A. mortgage limit to $35,000, by proposing to remove the interest ceiling altogether, the minister has ensured that housing for the upper income half will continue to be the aim of government policy.

The New Democratic party urges the federal government to begin with the needs of the two thirds of Canadian families whose annual incomes are below $7,500. Public housing? Yes. Rent supplements? Yes, if accompanied by a program of rent controls and the enforcement of local housing codes. This, of course, means co-operation with provincial governments. Why not? The task force was composed of a distinguished group of academics with a sprinkling of practical builders and a strong-minded politician. I wish it had taken time to look at the report of the guidelines committee of the Canadian conference on housing held in Toronto last October, which said:

> Canadian housing goals will not be easy to achieve. They require much higher priority within the public economy (federal and provincial) and should be seen to be as socially essential as education. No government is spending according to the priorities this conference insists on.
>
> As long as government allocations for housing are insufficient, priority within housing budgets should go to helping those with the greatest need—

And those last two words are underlined.

> —including ethnic minorities, regional areas and poverty groups, whether through housing policies or through employment and income policies.

I am afraid, Mr. Speaker, that the hard working and comfortable task force has turned this advice upside down. It has provided a blueprint that helps those best able to help themselves.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I believe all members of this house are genuinely concerned about proper housing for all Canadian people, especially those most in need. This evening, on behalf of the Minister of Transport (Mr. Hellyer), I should like to say that a close and careful reading of the report by the task force on housing and urban development will dispel many fears expressed by the Canadian Welfare Council and others, and will clearly show that there are many recommendations designed to assist Canadians with low incomes.

Such recommendations deal with expanded programs for limited dividend housing; easier down payment requirements; proposed alternatives to present public housing projects; income supplements; easier terms of payment, rental and the acquisition and improvement of existing homes as well as many other recommendations. I am sure the minister, in presenting his proposals to the government based on the report, will incorporate many of these recommendations and that Canadians of low and moderate incomes will be given a wide choice and expanded opportunity for better living accommodation.

POST OFFICE DEPARTMENT—DISPUTE WITH LETTER CARRIERS UNION—DOWNWARD RATES REVISION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in answer to my question the other day the minister replied:

Mr. Speaker, the hon. member knows that the answer to that is no.

I will overlook the somewhat presumptuous flippancy of the reply and ask how I could possibly know his answer would be in the negative, having noted some very definite and distinct changes he has made in respect of such things as the five day delivery in rural areas, the imposition of the five day delivery in the rest of the country and having noted the number of quick turns some of his colleagues like the Minister of Finance (Mr. Benson) have had to make in certain important areas. We are all aware of the increasing protests from publishers of all kinds of important publications in respect of the drastic increase which will soon be imposed upon them.

I was interested in the comment of the leader of the N.D.P. in Ontario. I do not believe in the organ in question and I am reasonably sure I would disagree with most of the information it disseminates. But political parties are essential to a democracy, and they must be able to communicate with the citizenry.

Not long ago two large and important national organizations, even larger than the N.D.P., stated their views and disappointment in this matter. The Canadian Federation of Agriculture on February 3 passed a unanimous resolution on postal rates. This resolution on postal rates asked the government not to implement, as presently worded, Bill C-116 raising postal rates for newspapers and periodicals. The resolution also indicated that the impact of this bill on farm publications would result in increased mailing costs ranging between 230 per cent and 2,000 per cent. It pointed out that the farm press was a vital tool in farm production and management, since it kept farmers informed of technological innovations.

On the same day the Canadian Labour Congress dealt with the same question. Let me read from a Canadian Press release on this matter:

The Canadian Labour Congress has accused the federal government of curtailing freedom of expression by imposing what the C.L.C. terms exorbitant postal rates for non-profit publications.

William Dodge, C.L.C. secretary-treasurer, said yesterday several trade union publications may have to cease publication because of increased postal rates scheduled for April 1.

The article then continues:

Mr. Dodge said the postal rate increase threatens freedom of expression because the printed word is the only effective way a union or a similar organization has of reaching its members. He said the increase would also result in the loss of employment in the printing industry, pulp and paper and related fields.

The article then states:

Mr. Dodge said the Canadian Brotherhood of Railway, Transport and General Workers estimates that its postal bill for its bi-monthly, *Canadian Transport*, will climb from $1,057 to $29,696. The international association of machinists has estimated that the cost of mailing its weekly, *The Machinist*, will go up from $9,024 to $99,840.

These increases are absolutely phenomenal and the portents are painful, indeed. We have been told by these people that there is a great danger that Canadian publications will have to bow out and we will find the Canadian unions having to put up with United States publications in their fields. As one of the editors said, it is ironic that after years of fighting for independent Canadian union papers we may lose them now because of measures taken by our own government.

It is a serious thing that so many important groups in our society will have their capacity for communication so drastically curtailed. There is one other aspect involved and that is competition with United States publications which Canadian post offices will still have to carry. This process will not help the minister much in his deficit fighting activity.

I can think of another type of competition; that is competition from government departments. Will the organs of organized labour in Canada be forced out of business by the exorbitant rates? Will the publications of the Department of Labour go through the mails easier?

To take another example, will publications of institutes of international affairs and like groups have to be diminished or curtailed while *External Affairs*, the journal of the Department of External Affairs, goes out with regularity and ease? One can imagine the amount of critical content on government policy which the department's publication will include! I doubt, indeed, if the minister's speeches on NATO will ever find their way into this slick magazine.

• (10:10 p.m.)

I am not complaining about the free use of mails for such purposes. A government

should be able to communicate with its people, and vice versa. The franking privilege works both ways, and so it should. But a government should not have a monopoly or a near-monopoly on the communication of ideas and information on any aspect of public policy or national interest. Therein lies the danger.

I join the many organizations, groups and individuals who have appealed to us, and I am sure they must be appealing to the minister every day, if not every hour on the hour, to take another look at the ramifications which will stem from the imposition of the legislation and to look at the whole question of the communication of ideas of important groups within this country.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, this question and this type of proposal has been answered on many occasions in the past. I will only refer to the example of the Canadian Labour Congress. They have submitted a brief to the government and will be presenting it later this month. They have made reference to the increase in postal rates. I will then repeat publicly what I have already told Mr. Dodge and others privately: I admit that the increases, on a percentage basis, appear to be and are, in fact, substantial. On the other hand, when one breaks down the increases into a cost per subscription per year, in fact it is very minor indeed.

In a long letter which I wrote to Mr. Dodge with respect to 11 major journals, the editors of which met with me in my office, I stated that in most cases the figure was about 30 cents, 40 cents or 50 cents per annum. An increase of this order for weeklies or bimonthlies would cover the entire increases in the postage rates, as astronomical as they may appear to be when cited in absolute terms by my hon. colleague. In other words, Mr. Speaker, this is all relative. What is not relative is the fact that the Post Office would have operated at a deficit of $130 million this year; that by changing the philosophy of the Post Office and charging those who use its services on the basis of user cost and not on the basis of indirect subsidy by the government, we are accomplishing a great deal.

By far the greatest impact will be felt in the business sector. These are the people who use the mails the most, and they will be paying for it. What do we accomplish if we reduce that deficit from $130 million to about $30 million? The government will have $100 million to spend on other priorities, whether they be in the field of increasing its armed forces, education, regional development, putting satellites into the sky, or any other program.

Mr. Knowles (Winnipeg North Centre): Don't forget pensions.

Mr. Kierans: But we will not be faced with subsidizing a service that is of value to the people who use it. Neither the C.L.C. nor the agricultural community have experienced any such increases in 20 years.

Mr. Speaker: Order, please. The hon. member for Kootenay West (Mr. Harding).

POST OFFICE BOXES—RENTALS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, this afternoon I asked the Postmaster General (Mr. Kierans) whether his department had reviewed the decision which he made last fall to increase Post Office box rentals. His reply was in the negative. I must agree that some of the postal rates on mail, etc. were in need of adjusting. However, I am not only opposed to the increase in the post office box rentals but feel that they should have been eliminated altogether. This Liberal administration talks about a just society. I certainly believe in this concept, but I do not support the fact that nearly every move made by the present administration is in the opposite direction. The increase in post office box rentals is a small but a good example of injustice. One would imagine that within the Post Office Department there would be no discrimination so far as the main services were concerned. This is not so, for we see in our smaller centres and in rural areas a clear cut case of discrimination when charges are made to the local residents for the privilege of having their sorted mail placed in a post office box. In the larger urban areas the mail is delivered to the residences and no extra charge is made for this service.

Mail arrives at their homes free of charge and this service, which the urban areas have and need, is paid for out of the general post office revenues. In the smaller communities, however, there is no delivery to the homes. The residents are forced to go to a central location for their mail. This is both time consuming and costly. In addition, if they wish to obtain their mail after regular post office hours, they must rent a post office box or do without their daily mail. If those living in the urban areas can have a free delivery service to their homes, the least the postal department can do for those in the smaller centres

is to give them free use of post office boxes. This would be one way of bringing a greater degree of justice to our mail service.

I understand the Postmaster General's desire to increase the revenues of his department. The former box rentals were discriminatory because the small centres were forced to pay for this service when the larger areas were receiving free delivery. Today, this unjust cost to the residents of the smaller centres has been compounded by the sharp increase in box rentals everywhere. I again protest this increase on behalf of many of my constituents.

I would like to pose several questions for the minister's consideration and, I hope, reply. Is it not cheaper for the post office to put the mail in boxes than to deliver it? The answer obviously is, yes. Then, as one of my constituents put it, why do we have to pay for an inferior postal box service when the home delivery is free? It irks me to see the sharp increase in post office box rentals. We are told the increases must help to pay the cost of operating this facet of postal service. At the same time we know that two U.S. magazines, *Time* and *Reader's Digest,* pay only about one third of their total mailing costs.

The Canadian public subsidizes the mailing costs of these publications to the extent of just over $1½ million. In view of this type of subsidization of non-Canadians, I again urge the minister to review his position on post office box rentals and, for a first move, to roll the rents back to the old level finally, he could eliminate these charges to bring a little more justice to those who are forced to use these boxes. Let us make all our moves in the right direction to bring about a just society.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, there are several ways of answering this question. In the first place I would like to point out the fact that there has been no change whatsoever in the rates for the rental of post office boxes since the year 1927.

• (10:20 p.m.)

Obviously, the cost has increased a great deal since then. We are not making any profit on this service; we are indeed losing on it, but we are trying to lose less than we did. The people in small communities where these facilities are available are not being discriminated against. They can get their mail free, just as anyone in a large city or on a rural route. In these small post offices they can get it at a general delivery wicket, and a great many of them choose to do this. On the other hand, in these small communities there are businessmen, professional people, families, who prefer to take advantage of an additional facility. Boxes are therefore made available to them as an additional service. In other words, they have a choice, no matter where they are, of getting mail free on general delivery or of engaging boxes which will enable them to collect mail at any time convenient, and enjoy many other advantages besides.

In other words, the boxes are available at all times, as is the general delivery. Rural route and urban deliveries are made once a day. I think I should repeat once again my reply to the charge, which is always intermingled with whatever valid criticism is made, that we are discriminating in favour of two United States magazines. We are not. The subsidy granted to these magazines is part of what has been granted to the magazine industry. We are not discriminating either against them or in their favour.

I do not know what else there is to be said about this question. We are trying to operate on the basis that those who use our services should pay for them. The less we need to subsidize services for which the government can legitimately charge, the less will be the tax burden on the Canadian people or, alternatively, the more the government will be able to do to satisfy other public needs.

Mr. Knowles (Winnipeg North Centre): I wish they would do so.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, February 11, 1969

The house met at 2 p.m.

ORAL QUESTION PERIOD

OIL

REPRESENTATIONS URGING CANADIAN ROUTE FOR PIPE LINE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in view of the absence of the Minister of Industry, Trade and Commerce I would like to ask a question of the Acting Prime Minister. In view of the imminent decision to be made in regard to the billion dollar oil pipe line from northern Alaska and the effect the route could have in connection with the development and transport of Canadian oil from the far north, will the government make immediate and strong representations to the United States government and to the United States Secretary of the Interior to look favourably upon a route down the Mackenzie River, and thus south through Canada to the United States?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, the government has been in constant touch with the United States authorities in regard to this whole matter of oil, and of course we are looking forward also to the day when there will be a good supply of Canadian oil from the region of the Arctic. The announcement of the pipe line across Alaska would in no way lead us to discontinue our discussions and our planning about a possible pipe line and other alternative routes for Arctic oil from the region of Alaska and the Canadian north to the eastern and midwestern markets.

Mr. Baldwin: Despite the assurance that the hon. gentleman has given will he, when dealing with this matter in the discussions with the United States authorities, bear in mind the very considerable impact the choice of route could have on our national oil policy and our markets in the United States?

Mr. Lang (Saskatoon-Humboldt): Of course, Mr. Speaker, these are exactly the matters that we have very much in mind and that are the background to our discussions at all times.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to direct a supplementary question to the minister. I know he has just taken over this portfolio because the Minister of Energy, Mines and Resources is ill, but in view of the fact that exports and domestic use of petroleum are down to 40 per cent of our production in western Canada, would he consider making a full statement to this house in the very near future as to the negotiations with the United States as to oil exports, particularly since we are now importing $200 million worth of petroleum more than we are exporting?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I shall be very glad to give consideration to the hon. member's suggestion regarding the possibility of making a full statement for the information of him and other hon. members.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct another supplementary to the minister. When he is making this statement will he also give us an indication of whether the government is prepared to consider building a pipe line to Montreal?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I shall be glad to look into that matter for the hon. member.

AIR TRANSPORT

MERGER BETWEEN AIR CANADA AND CANADIAN PACIFIC AIRLINES

Mr. Speaker: The hon. member for Winnipeg North Centre.

Some hon. Members: Hear, hear.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on a question of privilege, I think I should point out that the applause is not for me. The applause is for parliament, which last night got the good word that Tommy Douglas is coming back.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport. In view of the assurance he gave me on November 27 last, that before any

action was taken by the government with regard to a merger of Air Canada and Canadian Pacific Airlines the matter would be presented to parliament for discussion, can the minister confirm that undertaking and can he say whether there is yet anything to present on this matter?

Hon. Paul Hellyer (Minister of Transport): Yes; I can confirm the undertaking. There is nothing further to report. It was merely an idea, which is being discussed by interested parties. There has been nothing more formal than that at any time, that I know of.

Mr. Knowles (Winnipeg North Centre): Is the undertaking the same one the minister gave in November, that parliament will be consulted before there is a fait accompli?

Mr. Hellyer: Yes, that is true. Among other things, legislation I am sure would be required. I think I am correct in saying that no action could possibly take place until there was approval by parliament.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Transport whether any discussions have been held between the head of Air Canada, who referred to this matter recently, and the minister about this question.

Mr. Hellyer: Mr. Speaker, I cannot recall all the things we have chatted about privately. They include a wide variety of subject material, so I would not like to say. There might easily have been, but certainly more in a speculative vein than as a basis for concrete action at this time.

TRANSPORTATION

INVOLVEMENT IN URBAN PROGRAM

Mr. James A. McGrath (St. John's East): Mr. Speaker, this question is directed to the Minister of Transport, and it concerns a speech made by the President of the Canadian Transport Commission. Was the president of the commission expressing government policy when he referred to the necessity of the government—

Mr. Speaker: Order, please. The question is not in order. A question may be asked in respect of ministerial statements, but not statements made by officials of departments or commissions.

Mr. McGrath: Then, Mr. Speaker, may I ask whether it is the intention of the government of Canada to involve itself in the urgent matter of urban transportation.

[Mr. Knowles (Winnipeg North Centre).]

Hon. Paul Hellyer (Minister of Transport): If and when any decision is made in this regard it will be made in the usual course. At the present time, as I think was so well expressed today, our responsibilities are already so extensive that they tax the financial resources available to us. I do not think we are really looking for additional ways in which to spend money at this time.

Nevertheless, as I believe was expressed a year ago, there is a matter of concern in areas of research and co-ordination, and there may be a role for the government to play at this time which might be useful to all parties.

Mr. McGrath: Would the minister take the President of the Canadian Transport Commission into his confidence and give him that information?

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, may I direct a question to the Minister of Transport?

As discussions are now concluded between the Quebec government and the federal Department of Transport authorities concerning the future site of the international airport, will the minister tell the house soon what site has been chosen?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I must admit I did not know negotiations had ended. If they have, perhaps the hon. gentleman could tell me what the results were.

FINANCE

CANADIAN REPRESENTATION AT BASEL BANKERS MEETING

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I have a question for the Minister of Finance. Could the minister answer the question I asked yesterday, which the Secretary of State for External Affairs said he would refer to him. The question was whether Canada was represented at the meeting of western central bankers at Basel, which is reported as having reached an agreement on a plan to combat the flows of speculative funds from one country to another, and did we agree to the plan.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I believe we were represented

at the meeting, but I should like to take the question as notice, until I can consult with the Governor of the Bank of Canada.

EXPO '67

WRITING OFF OF MONTREAL AND QUEBEC INDEBTEDNESS

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Minister of Finance. On February 5 I asked the minister a question concerning the indebtedness of Expo '67 Corporation to the federal government. The minister has not answered that question.

Hon. E. J. Benson (Minister of Finance): I believe the question was in respect of the position of the city of Montreal. I inquired about the matter and find that there is no present liability due in this regard. I believe at the end of March or April the deficit becomes due, and settlement will have to be considered.

Mr. Hales: What does the minister intend to do with regard to the indebtedness that was not honoured as of June 30, 1968 by the corporation?

Mr. Benson: Mr. Speaker, I will have to take the question as notice, because I am not aware that the corporation has failed to pay the government of Canada any amount of money.

INDIAN AFFAIRS

SEIZURE OF GOODS IMPORTED UNDER JAY TREATY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, yesterday I asked a question about the situation which developed at Cornwall, when Indians acting under the Jay treaty brought into Canada certain goods and chattels and had their truck and purchases seized. What is going to be done in this regard? I should like the minister to advise us that these people will be assured that their treaty rights are to be kept sacred, regardless of the law.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the events that took place over the last weekend at the St. Regis Indian reserve were due to the implementation of regulations dealing with the import and export of goods by the Department of National Revenue. In 1956, the Supreme Court of Canada decided on the legal status of the Jay Treaty and, as a result of the problems encountered over the Christmas holidays I reviewed this situation on my own. I hope a public statement can be made on this subject in the near future.

[*English*]

Mr. Diefenbaker: In view of the fact the Supreme Court did decide that the Jay treaty was not in effect, does the minister not feel that treaties made with Indians should be upheld as a first consideration in assuring good relations with our first citizens, and that action should be taken by parliament to declare that, in so far as the provisions of the Jay treaty are concerned, they are in effect for those Indians to which it directly applied?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the question of the treaties concluded with the first inhabitants of the country is a difficult one. The government intends to comply with past treaties signed by the Crown with the Indians. In the case of the Jay treaty, it is a different matter, because it was not entered into directly by the Canadian Crown and the Indians, since it was signed around 1787, by the governments of the United States and Great Britain.

[*English*]

Mr. Diefenbaker: Mr. Speaker, is it not a fact that other treaties affecting Indians, particularly those in western Canada, were made before the government of Canada existed, in so far as western Canada was concerned, and are being upheld?

[*Translation*]

Mr. Chrétien: Mr. Speaker, this is why I said precisely that as a result of those difficulties during the Christmas season, I have personally undertaken to review the situation and I hope to be in a position to make a statement in that connection during the next few weeks.

[*English*]

Mr. Diefenbaker: Indians want action, not statements.

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I should like to ask the minister of Indian affairs whether, during his review, he will consider the possibility of extending this privilege to all Indians across the country? I should like to buy a new car and a new colour television set. Perhaps some of my friends would like to buy them also.

Inquiries of the Ministry

IMMIGRATION

REFUSAL TO ADMIT ALLEGED DRAFT DODGERS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Acting Minister of Manpower and Immigration whether an investigation has been instigated by the department in respect of difficulties that occurred at the United States border when United States citizens applied for permission to enter Canada but were turned down on the basis of their being draft dodgers? When will the department be prepared to report to parliament on this important matter?

Mr. Gerard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I should like to take the question as notice and refer it to the minister.

BILINGUALISM AND BICULTURALISM

REPORT NOT AVAILABLE FOR FEDERAL-PROVINCIAL CONFERENCE

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, in the absence of the Secretary of State I should like to address my question to the minister who is acting for him today. It relates to the third and fourth reports of the Royal Commission on Bilingualism and Biculturalism. I understand that one of these reports was sent to the printers last October. My question is: Why was at least one of these reports not ready in time for the use of those attending the current federal-provincial conference?

Hon. Donald S. Macdonald (President of the Privy Council): I would be glad to bring this question to my colleague's attention, Mr. Speaker.

[*Translation*]

POST OFFICE

ROD SERVICE LIMITED LAY-OFF OF EMPLOYEES

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to ask a question to the Minister of Transport.

Could he tell us if he did meet or intends to meet the employees of Rod Service Limited who have been fired?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, my officials are in contact with the union of the employees of Rod Service Limited.

[Mr. Marchand (Kamloops-Cariboo).]

[*English*]

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker, to the Postmaster General. In view of the distinct possibility of a work stoppage by the letter carriers, what action is the minister himself planning to avert such a stoppage?

Hon. Eric W. Kierans (Postmaster General): I do not think there is any distinct possibility, Mr. Speaker.

NATURAL RESOURCES

POSSIBLE DAMAGE AS A RESULT OF OFFSHORE OIL DRILLING

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Acting Minister of Energy, Mines and Resources. Perhaps he would like to take it as notice. Has the government made a plan, in co-operation with the provinces concerned, to prevent damage to fish, birds and other natural resources which may be the result of offshore oil drilling?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): I would be glad to take that question as notice, Mr. Speaker.

[*Translation*]

NATIONAL PARKS

QUEBEC—INQUIRY AS TO DEVELOPMENT

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to ask a question to the Minister of Indian Affairs and Northern Development.

Is he in a position to advise us today as to the possibility of developing a federal park in the province of Quebec?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, on October 7, 1968 I sent a tentative agreement to the Quebec government and I am still waiting for an answer.

Mr. Fortin: Mr. Speaker, I should like to ask the minister, as a supplementary question, whether or not he intends to do something to invite Quebec at least to acknowledge receipt of the federal government's proposal?

Mr. Chrétien: Mr. Speaker, they did acknowledge receipt, but they did not say either yes or no. I wish they would give us an affirmative reply, even if it took a few more days.

[*English*]

HOUSING

URBAN RENEWAL PROGRAM—DISCUSSIONS WITH MUNICIPALITIES

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I would like to direct my question to the Minister of Transport in his capacity as housing minister. I ask the minister whether he has arranged a meeting with the mayor of London, Ontario, to discuss that city's urban renewal program, which was suspended by the federal government last November.

Hon. Paul Hellyer (Minister of Transport): Not yet, Mr. Speaker. There are three or four cases which are similar in some respects; London is one of them. I hope the government will have a chance to review its policy within a matter of a few days, after which I will immediately get in touch with the mayors of the several municipalities directly concerned and discuss with them the problems of mutual interest.

Mr. McCutcheon: A supplementary question, Mr. Speaker. Could the minister tell the house why his officials have told the officials of the city of London that it would take up to three months?

Mr. Speaker: Order, please. This is a matter of debate. The supplementary question is argumentative and is not in order.

[*Later:*]

Mr. McCutcheon: Mr. Speaker, I am sorry that the wording of my last question was taken by Your Honour to be argumentative. It certainly was not meant to be. May I ask the question in this way: Will it take three months before a decision can be made on the fate of that project?

Mr. Hellyer: If I had to answer in one word, Mr. Speaker, the word would be no. I expect the decision to be made much more promptly.

Mr. Knowles (Winnipeg North Centre): It will probably take six months.

TASK FORCE—DISCUSSIONS WITH PROVINCES ON RECOMMENDATIONS

Mr. John Gilbert (Broadview): Mr. Speaker, my supplementary question is directed to the Minister of Transport. Is it the intention of the minister to commence discussions with provincial housing representatives concerning the recommendations of the task force; and if so, when does he hope to commence?

Hon. Paul Hellyer (Minister of Transport): Informal discussions will be held in a few days, Mr. Speaker, and we will have an opportunity to discuss all the various aspects of this problem, those which concern the jurisdiction of each level of government, and determine in what ways we can co-operate so as to produce the maximum amount of housing for Canadians at the lowest possible price, in order to get the best value for every taxpayer's dollar being spent.

Mr. Baldwin: Hallelujah!

Mr. Gilbert: Is it the intention of the minister to approach directly the law societies and real estate boards across the country concerning the recommendation as to the high legal fees and real estate charges of these persons?

Mr. Hellyer: I suspect that many of them have read the report, or certainly some parts of it as reported in the newspapers, and I hope that all members of the professions represented here, as well as others, will use their influence to make sure that there is a reaction to the recommendations made, in the interest of getting housing prices down in Canada.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question. In view of the reference in the report to the high cost of legal feels in respect of housing, would the minister give consideration to eliminating the list of patronage solicitors for the C.M.H.C.?

Mr. Hellyer: One thing I might recommend to my hon. friend is that, since he is from the province of Newfoundland, he might make representations to the bar there, asking them to reduce their exhorbitant and, in my opinion, unconscionable fees in respect of housing.

Mr. Knowles (Winnipeg North Centre): Why single out Newfoundland?

[*Translation*]

Mr. Henri Latulippe (Compton): Mr. Speaker, I have a question for the Minister of Transport. Would he indicate to the house if he has the firm intention of implementing his report to start residential construction as soon as possible and thus meet the urgent needs of the population?

[*English*]

Mr. Hellyer: That is precisely the objective we have in mind, namely to find ways in

which all levels of government in Canada as well as the private sector can, by co-operating together, meet the needs of the Canadian people in respect of housing in an even more satisfactory way than has been done in the past.

ALTERNATIVE TO BUILDING MATERIALS TAX

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a supplementary question. Can the minister inform the house if he has thought of an alternative to the 11 per cent sales tax, which has been refused by his colleagues in cabinet, to help Canadians who are endeavouring to buy homes?

FISHERIES

SEALS—HUMANE KILLING PROCEDURES

Mr. Barry Mather (Surrey): Mr. Speaker, I would like to address a question to the Minister of Fisheries with regard to the hunting of seals. Have representations been received by the government from the Canadian Federation of Humane Societies urging that the methods so far employed against sealing cruelty be extended, and specifically that the use of aircraft in the taking of seals be ended?

Hon. Jack Davis (Minister of Fisheries): I thank the hon. member for his question. Since receiving written notice of it I have had a check made in my office and the answer is that I have not received any submission. I cannot speak for other ministers of the government.

Right Hon. J. G. Diefenbaker (Prince Albert): I have a supplementary question. Would the minister give consideration to doing something in regard to improving the killing operations of seals, and in particular to offset the bad image of Canada that is being created in consequence of what was set out by two foreign magazines, one with a circulation of eight million and the other with a circulation of five million, that the Canadian sealing operations are cruel beyond any excuse.

Mr. Davis: The answer to the right hon. gentleman is that the regulations have again been tightened up this year. We are also holding discussions with the Norwegians, Norway being the other principal country involved on the front and outside Canadian jurisdiction in the Atlantic area.

[Mr. Hellyer.]

[*Translation*]

POST OFFICE DEPARTMENT

CLOSING OF RURAL POST OFFICES

Hon. Théogene Ricard (Saint-Hyacinthe): Mr. Speaker, I should like to direct a question to the Postmaster General.

Considering the general dissatisfaction resulting from the closing of several rural post offices, does the minister intend to keep depriving the citizens in the localities concerned of the postal services to which they are entitled?

Mr. Speaker: The hon. member will agree that several similar questions have already been asked these last few days—at least one identical to his—and I doubt that the same thing should be asked again. If the hon. member believes that the matter is urgent and the case a special one, he could give notice of it and discuss it on the adjournment motion.

[*English*]

Mr. W. M. Howe (Wellington-Grey): Mr. Speaker, I have a supplementary question.

Mr. Speaker: Order, please. There can be no supplementary question since the question has not been accepted.

[*Translation*]

Mr. Ricard: With your permission, Mr. Speaker, I should like to try again because I think the minister was willing to reply to my question.

Mr. Speaker: This is precisely what I am suggesting to the hon. member and the minister will be all the more pleased to come back to that matter and reply at the time of adjournment.

[*Later:*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I should like to direct a question to the Postmaster General.

As expenses are expected to reach about $91,000 for the international bureaux et Berne and Montevideo, does the minister intend to close them?

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

[*English*]

NATIONAL DEFENCE

MONTREAL—WEAPONS AFFECTED BY BOMB EXPLOSION

Hon. J. A. MacLean (Malpeque): I should like to address a question to the Minister of

National Defence, Mr. Speaker. Can the hon. gentleman say whether the bomb explosion in Montreal last night had any connection with the security of national defence property, weapons in particular?

Hon. Leo Cadieux (Minister of National Defence): The building in question housed technical transport, I think,—something like that. We are investigating the incident. I suppose we shall have to take more stringent measures to protect our property.

INDUSTRY

DEVCO—PRE-RETIREMENT PROGRAM FOR MINERS

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): Mr. Speaker, on Friday last the hon. member for Cape Breton-The Sydneys asked when the Minister of Forestry and Rural Development would be in a position to announce the date on which the pre-retirement program for Cape Breton miners proposed by Devco would go into effect. I took the question as notice in the absence of the minister and undertook to advise the hon. member and the house as to the situation. I am told the date of implementation is now under review by the corporation, and an announcement will be made as quickly as possible.

FINANCE

CUTS IN CAPITAL BUDGET—MEDICARE DEFERMENT

Mr. Lloyd R. Crouse (South Shore): My question is directed to the Minister of Finance. In view of the definite concern expressed by Montreal bond dealers to the minister over the budgeting of $370 million for medicare, which is making it extremely difficult to sell bonds, is the hon. gentleman giving any thought to making further cuts in the government capital budget or to deferring medicare?

Mr. Speaker: Order, please. The hon. member is asking for a reply of a general nature, and this type of statement should be made by the minister on motions.

COMMUNICATIONS

REQUEST FOR REPORT ON SATELLITE STUDIES

Mr. Heath Macquarrie (Hillsborough): My question is directed to the minister designate for communications. Some time ago the hon. gentleman indicated he wished to study further the McIntosh report on the corporation to develop domestic satellites. Is he yet in a position to tell us when he may be tabling that report and associated documents?

Hon. Eric W. Kierans (Postmaster General): I shall discuss that question with my colleagues.

Mr. Speaker: The hon. member for Selkirk.

Mr. Ed Schreyer (Selkirk): The last question was mine, too, Mr. Speaker.

INDIAN AFFAIRS

INTRODUCTION OF MEASURE RESPECTING INDIAN CLAIMS

Mr. Gordon Ritchie (Dauphin): I should like to ask the Minister of Indian Affairs and Northern Development whether he can tell the house when the pending legislation concerning an Indian claims commission will be brought forward.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I said a couple of weeks ago that it would be brought forward as soon as possible, Mr. Speaker.

TRANSPORT

TERMINATION OF MARITIME FREIGHT RATES FREEZE

Mr. Thomas M. Bell (Saint John-Lancaster): A question for the Minister of Transport to test his newly discovered interest in transport. Has the hon. gentleman had a chance to consider the matter of the expiry of the freeze of maritime freight rates on March 27 and, if so, what is his plan to deal with the situation?

Hon. Paul Hellyer (Minister of Transport): The answer to the first part of the question is, yes. The answer to the second part is that I hope within a very short period of time, perhaps early next month, to be in a position to make an announcement which will receive the enthusiastic support of the hon. gentleman.

Mr. Bell: Does the minister not think that before the committee leaves on its maritime trip next Saturday—and we all wish them good luck—it would be good to clear up apprehensions on this point by an announcement some time this week?

Inquiries of the Ministry

FARM MACHINERY

ACTION ON ROYAL COMMISSION SAFETY RECOMMENDATIONS

Mr. A. P. Gleave (Saskatoon-Biggar): I have a question for the Minister of Agriculture, Mr. Speaker. Some time ago I asked what consideration he would be giving to the report on farm safety arising out of the work of the Royal Commission on Farm Machinery. I was told, then, that time was needed in which to study the report. Has the minister since had time to study it, and is any action proposed in the area of farm safety?

Hon. H. A. Olson (Minister of Agriculture): It is clearly stated on the outside of the report, or of the so-called report, that this is not the opinion of the royal commission which is studying farm machinery problems and related matters, but that it is, in fact, the opinion of one of the research consultants retained by the royal commission. In these circumstances I do not think it would be proper for me to comment on the report one way or the other. It is the opinion of one man, as far as I understand it.

Mr. Gleave: Well, Mr. Speaker, I have to accept the reply, that it represents the opinion of one man; but it is the opinion of a researcher well qualified—

Mr. Speaker: Order, please.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): A supplementary question to the Minister of Agriculture, Mr. Speaker. Having regard to the deep concern expressed by the Canadian Federation of Agriculture at its annual meeting in Quebec last weekend in connection with what is said to be a two-price system applied to farm machinery, can the minister say whether the Barber Commission will be dealing with this serious matter?

Mr. Olson: If the hon. member is referring to the price difference between machinery obtained in the United Kingdom and in Canada, I can say that Dr. Barber has indicated he is looking into the allegations which have been made in that connection. However, some preliminary investigation has been made of certain of the claims, and if consideration is given to the question of comparable machinery, comparable attachments and so on, it appears the allegations are somewhat exaggerated.

Mr. Ed Schreyer (Selkirk): Would the Minister of Agriculture indicate whether he intends to be guided in any way by the recommendations of the Barber Commission report, since this is a one man commission in the same sense as the report on the farm machinery safety is a one man report?

Mr. Speaker: The question as asked is argumentative. The hon. member is not in order.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board? In view of the assurance the minister gave on January 8 to representatives of retired civil servants that the question of increasing their pensions would be studied by a committee with the hope that a report would be forthcoming in three or four weeks, can the hon. gentleman say whether such a report is yet ready?

Hon. C. M. Drury (President of the Treasury Board): Not yet, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): May I ask whether the matter is still under serious study?

Mr. Drury: It is, Mr. Speaker.

[*Later:*]

Hon. J. A. MacLean (Malpeque): I wish to direct a question to the President of the Treasury Board supplementary to that asked by the hon. member for Winnipeg North Centre. Will the study in connection with the pensions of superannuated civil servants also include a study of the pensions of retired servicemen from the permanent force?

Mr. Drury: Not directly, Mr. Speaker.

GOVERNMENT ORGANIZATION

LEGISLATION TO COMBINE DEPARTMENTS

Mr. A. D. Hales (Wellington): I should like to address my question to the President of the Privy Council in his capacity as leader of the house. Is it necessary for the government to bring forward legislation giving it authority to combine departments of government?

Mr. Speaker: Order. The hon. member is asking for an interpretation of the law and his question is therefore not in order.

Mr. Hales: May I rephrase it, then? Is it the intention of the government to introduce legislation to combine departments?

Hon. D. S. Macdonald (President of the Privy Council): The government reorganization bill should be coming forward within the next week or so.

Mr. Hales: A supplementary question to the President of the Treasury Board. If that is a fact, will this legislation be introduced before we study the estimates of the Department of Industry, Trade and Commerce?

Hon. C. M. Drury (President of the Treasury Board): I am not sure when the estimates of the Department of Industry, Trade and Commerce will be considered. The leader of the house has indicated when the legislation will be brought down for consideration.

HOUSE OF COMMONS

SESSIONAL INDEMNITY OF MEMBERS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is for the President of the Treasury Board. Is it the intention of the minister to set up a committee to study the shocking salaries of members of parliament and their pensions?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I would be glad to hear the views of the hon. member.

FISHERIES IMPROVEMENT LOANS ACT

INQUIRY AS TO WITHDRAWAL OF MEASURE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. In view of his statement in the house last night, is it now the intention of the minister to withdraw Bill C-151, to amend the Fisheries Improvement Loans Act?

Hon. Jack Davis (Minister of Fisheries): The answer is no, Mr. Speaker.

POST OFFICE DEPARTMENT

DELAYS IN DELIVERY—CONSIDERATION BY STANDING COMMITTEE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Postmaster General, in view of the large amount of correspondence that I am sure all members are getting in regard to the delay in delivery of mails of all classes, whether he would consider referring the dispute over postal facilities to the Standing Committee on Transport and Communications?

Hon. Eric W. Kierans (Postmaster General): I see no need to do that, Mr. Speaker. However, if the committee decide to call me and ask for explanations, I would be glad to appear before them.

ESTIMATES

INCREASED EXPENDITURES FOR PROFESSIONAL AND SPECIAL SERVICES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. On February 5, in answer to a question from the hon. member for York South, the President of the Treasury Board indicated that there might be an error in the table attached to the estimates having to do with professional services. He said he would check to see whether there really was an error. Has he made this check, and can he now tell us whether there is an error or that he can now confirm that the figures are correct?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, there is no error. I was beginning to say that the hon. member was in error in attributing all these expenditures to professional services. In fact the expenditures relate to service contracts in addition to the so-called professional services; but rather than charge him with error I backtracked.

Mr. Knowles (Winnipeg North Centre): So it is now clear there is no error in the table?

Mr. Speaker: Order, please.

CANADIAN BROADCASTING CORPORATION

ALLEGED MISREPRESENTATION OF NORTHERN SASKATCHEWAN

Right Hon. J. G. Diefenbaker (Prince Albert): In the absence of the Secretary of State, I would ask the Acting Prime Minister to communicate with the C.B.C. with a view to securing an apology from that organization for having described northern Saskatchewan as one of the most violent, hate filled areas of North America. When asked for an apology the C.B.C. refused to give it. Would the minister have brought to the attention of the C.B.C. that painting western Canada and its northern areas as something straight out of the stone age, and without law and order, is not in keeping with the Canadian tradition?

Inquiries of the Ministry

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, I will be glad to ask the Secretary of State to transmit to the Canadian Broadcasting Corporation the request of my right hon. friend.

FISHERIES

DECISION TO ESTABLISH SALT FISH MARKETING BOARD

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Fisheries. Can he inform the house whether a decision has been made to establish a salt fish marketing board?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, that matter is under very active consideration.

Mr. Carter: A supplementary question, Mr. Speaker. Can the minister inform the house whether this board will be formed in time to take care of the 1969 catch?

Mr. Davis: Mr. Speaker, I would not expect it to be ready for 1969—perhaps for 1970.

Mr. Carter: A further supplementary question. Would the minister say whether the government is considering setting up an interim arrangement to take care of the 1969 catch?

Mr. Davis: The answer is yes, Mr. Speaker.

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. If such arrangement is made, will the government take steps to ensure that the fishermen get a fair return for their fish?

TRANSPORT AND COMMUNICATIONS

CONSIDERATION OF PART OF REPORT OF STANDING COMMITTEE

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I should like to direct a question to the government house leader. Since concurrence in the second report of the standing committee on transport has not been moved, may I ask the government house leader whether he has any procedure in mind for moving forward that part of the report that is not before the Committee on Privileges and Elections, namely claims against the C.N.R. relative to the Great Slave Lake railway?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, the entire report is before the Committee on Privileges and Elections therefore it is not possible to follow the hon. member's suggestion.

[Mr. Diefenbaker.]

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed from Monday, January 27, consideration of the motion of Mr. Turner (Ottawa-Carleton) for the second reading and reference to the standing Committee on Justice and Legal Affairs of Bill C-150, 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, the Customs Tariff and the National Defence Act.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when I had the privilege of commencing my remarks at the second reading stage of this bill on January 27, I spent the ten minutes or so that remained that evening on a phase of the matter to which I should like to return for a few minutes.

I feel very strongly that in the course of this debate we should not waste any more time on the complaint about our having to vote for or against Bill C-150 as a package, either at the second reading or at the third reading stage. The fact is that we have a new provision in our rules that we have only recently begun to practise and which will come into play fully and effectively with respect to bill C-150. I refer of course to the report stage, at which time any amendments put down by members to any of the clauses of the bill are debatable and subject to a vote.

It is quite clear that there are a number of subjects in this bill which are highly contentious. I need mention only the provisions with respect to abortion, homosexuality, breathalyzer tests and so on. I might also mention—because I will have something to say about this—state lotteries.

It is also quite clear that on each of these contentious issues amendments will be put down for debate at the report stage. The other night I gave notice, notice that I repeat now, that as one who feels that we should not establish in this country state lotteries I have already prepared a report stage amendment to clause 13 of the bill. That amendment will be clear and straightforward. It will not be a package, it will not be obscure; it will be a straightforward amendment on the question of whether or not we shall have state lotteries in Canada. When the vote is called on that amendment there will be no package, no

obscurities; it will be a straightforward issue on which members will have to stand up and be counted.

There are members in this house—they are found in any party, but I think in particular of my creditiste friends who are opposed to what the government proposes in regard to abortion. Therefore I imagine one of them will be putting down an amendment to delete clause 18 from Bill C-150. If that is done, then there will be a debate on that question; and with Mr. Speaker in the chair and the bells having been rung, members will be called upon to vote on the straightforward, clear-cut question: Do we want the law on abortion to stay as it is, or do we want the law on abortion to be as proposed in Bill C-150?

I might say that there will be one other amendment in this same area. There will be an amendment to alter clause 18 in the opposite sense, taking the question of abortion right out of the Criminal Code altogether. With that amendment the issue will not be obscure. It will not be a multiple one; it will not be a package. It will be a straightforward vote on that question by itself.

• (2:50 p.m.)

I think also of some of the subjects that are missing from this bill, such as the proposal to abolish corporal punishment and a few others I will name in a moment. Under the provisions of our new rules these can be set down as amendments at the report stage, and we can have a recorded vote on each and every one of these issues. I submit, Mr. Speaker, that no harm is being done to the privileges of parliament, no harm is done to any individual member because the bill to amend the criminal law over a wide range of subjects is one bill so far as second reading is concerned. The plain fact of the matter is that at the report stage we shall have a clear-cut opportunity to vote as we want to vote on each and every one of these issues. Each member will be responsible to his own conscience No one will be able to hide behind the excuse that there is a package. No one will be able to say that he voted against something which he liked because there was something in the bill which he did not like, or vice versa.

Provided hon. members put down the appropriate amendments at the report stage, there will be a clear-cut decision made by the house, and every member's vote on each of these issues—abortion, homosexuality, breathalyzer tests, state lotteries and others—will be recorded by this house. When I made this point the other night an hon. member said, "What about third reading?" On third reading, Mr. Speaker, it works both ways. This is a government bill. If the majority of the members of this house vote to remove the section on abortion or the section on state lotteries, then that is the way the bill will appear at third reading. Although the government may not like it, it will have to vote for or against a package on third reading without those items which the government wanted in the bill. It works both ways.

Third reading is an important vote, in the sense that it is the final one; but I suggest that in terms of parliamentary debate and in terms of members taking their stand the most important phase will be the report stage at which each of these individual items, particularly the contentious ones, will be before us for debate and for a vote. It will be the kind of vote which comes after the bells are rung and all hon. members are here. I hope, Mr. Speaker, the allegation that it is unfair to have all these matters before us in one bill will not be repeated too often.

Most sections of this bill meet with my approval, but there are one or two to which I am strongly opposed. I do not find it uncomfortable or embarrassing to vote for second reading of the bill so that it can be referred to committee and studied. I know that I have the opportunity at the report stage to try to delete those items to which I do not agree, and to try to have amended those sections which I believe could be improved.

Mr. Speaker, I should now like to deal with a few of the subjects which are covered in this bill. The first one I would like to mention is perhaps the most contentious of all, namely the question of abortion, about which many letters have been written. Our parliamentary leader, the hon. member for York South (Mr. Lewis), who understandably will be happy to relinquish his role in the next week or so when the new member for Nanaimo-Cowichan-The Islands takes his seat, stated the position of most members of our group on the subject of abortion. I would like to put it this way, Mr. Speaker.

When voting on this bill in the House of Commons we will not be voting for or against abortion. What we have to decide, and I commend the government for giving us the opportunity to make this decision, is whether abortion is a crime or a human problem.

What has been wrong is that this human problem has been listed as a crime in the Criminal Code. Most of my colleagues and I take the view that the subject of abortion should be removed from the Criminal Code and recognized for what it really is, a human problem. I believe that women who face this problem should have the opportunity to obtain the best advice possible, whether it be from a religious counsellor, psychologist, social worker or medical practitioner. It is that kind of a problem. A pregnant woman facing the problem of abortion should be able to get advice from those people. She should be able to get it without fear that she herself is committing a crime, and without running the risk of calling upon these advisers also to commit a crime.

I think, Mr. Speaker, that we should get into the 20th century on this issue. We should recognize it not as a crime, but a human problem to be dealt with in the most realistic, straight-forward and humane fashion. The present law on abortion creates and causes a great deal of human suffering. It is not good to have a law which does that. In my view the improvements being made do not go far enough. A great deal of suffering will still be caused to women who need an abortion or desire to have one for reasons which may be good to them. They are still faced with limitations in the Criminal Code. No one is being called upon to agree to an abortion, but I hope, Mr. Speaker, the house will turn down any amendment that would try to delete clause 18 from the bill and put the law back the way it was. I hope we will admit that this is a human and social problem to be dealt with in a humanitarian manner. There should be a sense of compassion for those who face the difficulties which sometimes lead to the necessity or even the desirability of an abortion.

I cannot get over the feeling, Mr. Speaker, that somehow or other our law in this area is a relic of the kind of world in which men have made most of the laws. I do not say that if this House of Commons consisted of 263 women and one man instead of the reverse, as is now the case, that all the women would vote for the proposal which is in Bill C-150. I would not expect them to be unanimous, but I think their approach would be different from ours.

• (3:00 p.m.)

I think there is an element in this law that seems to suggest that men are saying to women, "Well, if you get pregnant, and if you did not want to be, or even if there are reasons why that pregnancy should be terminated, it is too bad, we have made the law." This is not the way to do it. I want to see humanity, compassion and common sense with respect to this important subject and, as I said when I opened my remarks on it, what we are being called upon to vote on in this matter is not for or against abortion. What we are being called upon to vote on is whether in our view abortion is a crime or a human problem. I think it is the latter and believe our law should deal with it in that respect.

As I have already said, Mr. Speaker, from someone in our party, if somebody else does not propose it, there will be an amendment at the report stage suggesting that the improvements in the law be even better than those proposed by the government's bill. As I have also said, I have no doubt that there will also be an amendment to throw out clause 18 altogether. Thus there will be three positions before the parliament of Canada at the report stage: leave the law as it is, make the law a little better as the government proposes, or make it better still. And by our votes, by standing up and being counted, we will make our decision on this matter, and when we are making our decision it will not be mixed up with breathalyzers, lotteries or any of the other things in the bill, legalistic or otherwise.

I would like to suggest the same thing about the proposals to change the law regarding homosexuality which, I believe, are set out in clause 7 of the bill. Here too, Mr. Speaker, it seems to me that the kind of distinction I have tried to make with respect to abortion applies. Those of us who think we are normal seem to have taken the position across the years that those who are not like us, those who are abnormal, are committing a crime. I just do not think it adds up.

I think what we need to do is to approach this matter with understanding and compassion, with some psychological appreciation of the problem, and I welcome the decision of the government to make a change in this area. I recognize that the whole question of proselytizing is something we have to be concerned about. Maybe there is a case for having something on that aspect in the Criminal Code, and it is there by inference. But at any rate it does seem to me that we should move forward in respect of this matter.

Parenthetically, Mr. Speaker, I should like to say I have been very appreciative of the letters I have received on these two subjects, as well as on others, from many of the

churches, both the national bodies and local churches. There is a tendency for some people to assume that the churches will be narrow-minded and traditional, but in the last little while I have had communications from churches as widely varied as the United Church of Canada, the Baptists, the Mennonites, the Lutherans, and the Unitarians. That is quite a broad spectrum of churches. If we got them all together the ecumenical movement would be well on its way.

In the letters I have received I find there has been basically the kind of approach to the problem of abortion and the problem of homosexuality that I have been trying to set out this afternoon. They do not all agree in every little detail. Some of them, and I respect their views, would like to keep abortion in the Criminal Code and to make more precise the authority of the therapeutic abortion committees and so on. These are points that should be considered by the standing committee to which this bill is referred.

But I think it is significant that in the main the churches and the church people who have been thinking about this are saying to us, "Apply reason, apply psychology, apply compassion, apply human understanding to these problems." And if I may, since I have referred to the churches, I would like to congratulate most warmly those who have written to me telling me about the meetings they have held, the study groups they have set up, and the specialists who have discussed these matters with them. This is what we are trying to get these days, participatory democracy, but at any rate, Mr. Speaker, I am sure we will be going along with the serious-minded and thoughtful people in this country if we move in the direction I have suggested, if we treat these two matters not as criminal offences but as human problems deserving the best attention and consideration we can give to them.

Now, sir, I would like to take a minute or two to refer to a number of subjects—and because I see my time is running along I shall do no more than refer to them in the form of headings—that have been mentioned by others in this group, notably by my parliamentary leader, the hon. member for York South (Mr. Lewis), and my colleague from Winnipeg North (Mr. Orlikow). I speak in this context of things that have been left out but which we think ought to be in the Criminal Code amendments.

I refer first to the proposal that corporal punishment should be abolished. We are not living in the dark ages, in the 17th, 18th or 19th century. We are living in the 20th century. Surely corporal punishment should go.

I also think that the code should include a clear statement on the right of persons to counsel. We assume that right exists but it is not protected by law.

Lately a great deal has been said about the desirability of expunging a criminal record where the person who has been found guilty lives for a period of time without any further violation of the law. A few glaring examples have been brought to our attention of persons who have had to suffer double punishment throughout their lives because of some minor infraction that became part of their records.

Also, Mr. Speaker, I think that legislation regarding wire-tapping should have been included in this bill to amend the Criminal Code. Like others in my party I am little surprised, the hon. member for York-Scarborough (Mr. Stanbury) having produced such an excellent bill dealing with this matter, that his proposals were not incorporated in Bill C-150.

As I understand the new rules, Mr. Speaker, especially the report stage to which I have been referring, we may be able to deal with some of these matters at that time as well. The rules say that at the report stage there can be amendments to delete, to alter, to restore, or to add. Most of the rule changes we made were for the purpose of avoiding duplication and of saving time, but we knew what we were doing when we brought in the report stage. We were not saving time but we were providing a clearcut opportunity for decisions to be taken by parliament on these individual issues. I hope we will avail ourselves of that opportunity at the report stage to deal in the way I have suggested with the items I have listed.

That leaves just one other subject to which I would like to refer for a minute or two. It is the question of state lotteries. Others who have taken part in the debate have said this, so I underline what they have said, that to me it is moving back two or three centuries to think that we can solve any of our problems, whether in terms of getting money into public treasuries or in terms of undergirding welfare programs, health programs, education programs or what have you by resorting to state lotteries.

A great deal has been said about the Irish sweepstakes, but we have never had any suggestions that that country does very well

out of its sweepstakes. The idea of sweepstakes has been tried recently in the state of New York and the reports coming from that state already suggest it has been a failure. It has also been tried in our own country, in the city of Montreal, and that city seems to be in greater financial difficulty now than it was before this venture was undertaken. It seems to me, Mr. Speaker, that state lotteries cannot be operated without giving to the people the notion that this is going to be an easy way of providing for public needs, whether they are welfare, health, education or what have you programs. The money obtained in this way simply will not be sufficient to underwrite these programs. Furthermore lotteries, particularly state lotteries, are really the most regressive form of taxation the mind of man can conceive.

• (3:10 p.m.)

We have enough regressive taxes already from this government across the way. There is the social development tax which is being collected from the people of Canada now even though it is not yet the law of the land. It is a highly regressive tax. It is a tax of 2 per cent payable on the first $6,000 of taxable income but anyone with a taxable income over $6,000 does not pay one cent more. So the result is very regressive. However, when there is an attempt to raise public money by lotteries the people make their contribution not according to ability to pay but according to their dire need and their desperate hope that somehow they may break out of their poverty. The fact is it is the poor who will put the money into state lotteries. As a result they will be caught in a scheme of regressive taxation that is utterly wrong, utterly unscientific and utterly out of line with any economic theory that applies in this country today. So I hope we will make this distinction.

As I said a moment ago, I have been pleased with the letters I have received from a number of churches, both national bodies and local congregations. I have noted with interest their comments on this very subject. The churches write to me to say they do not like gambling at all. They think it caters to the worst in people, that it degrades and cheapens life; but then they say they realize it is unrealistic to try to legislate today against private games of chance or against the fun people have in various kinds of small private lotteries. In other words, the churches are being realistic in admitting there is a point beyond which they or we cannot go.

[Mr. Knowles (Winnipeg North Centre).]

Having said that, however, the churches come down exactly where I have come down, that is, whatever else we may agree to, let us not make the social and economic mistake of establishing or even permitting state lotteries at the federal, provincial or municipal level. I agree with them and I welcome their support. The Minister of Justice (Mr. Turner), when bringing forward this bill and speaking on the matter, said it was a kind of local option the government had in mind in bringing this forward in the bill in this way. I submit it is more than that. If this bill passes containing the provisions about state lotteries this will be parliamentary approval of the principle of raising money in this way and of the principle of the most retrogressive form of taxation there is. Therefore when I move an amendment at the report stage to clause 13 of the bill to delete the reference to state lotteries, unless the standing committee has already taken it out, I hope my amendment will receive the support of a majority of the members of this house.

When I move that amendment it will not be cluttered, obscure or part of a package. It will stand on its own feet just as will the amendments regarding other contentious subjects. I look forward to the report stage of this bill. At that point we will stand up, we will be counted, and we will take our decision on these various points. I hope the result will be a bill that is even better than it is now. It will be better if it deals with the problems of abortion or homosexuality in human terms, and it will be better than it is now if it deals with such problems as corporal punishment, the right to counsel, the deletion of criminal records and wiretapping which are not contained in the bill. It will also be better than it is now if we take out the retrograde proposal to approve state lotteries. Therefore it will be a pleasure for me to vote for the second reading of this bill so that it can be studied by the committee, but either in the committee or back in the house I hope we will make the kind of improvements I have tried to suggest.

Mr. Steven Otto (York East): Mr. Speaker, my purpose in speaking to this bill is to bring to the attention of the house and the country the little things that appear in bills. When we discuss vast subjects, as we did in respect of the house rules, the comment can be made that things are passed that are not even debated. The point I want to bring to the attention of the house is a small one in this bill. It has to do with clause 16 which involves drinking and driving. I wish to

assure you, Mr. Speaker, that I have no personal interest in this because I do not drive whenever I can avoid driving. We have heard and I am sure will hear many good speeches on the various subjects contained in this bill such as the gun law, weapon law, abortion, homosexuality, lotteries, and others. I should like to point out, however, that most of these subjects have been debated by Canadians over a period of time and in fact we are following, if I might say so, the general trend or feeling. I shall not debate the question whether all these points should be covered in one bill. Of course it should be one bill; there is no other way to deal with them.

But I do wish to bring to the attention of the house and the parliamentary secretary clause 16, the amendment to section 224, which appears at page 36 of the bill. It deals with driving with more than 80 milligrams of alcohol in the blood. That means about .08 per cent. I have been assured that this means two drinks. I am not opposed to this clause but I am saying that it will have a fairly serious effect on the social habits of Canadians. I suggest they may be taken by surprise because up until now the law in the provinces has not been based on the number of milligrams of alcohol in the bloodstream but on the question of drunkenness, impaired driving or driving while under the influence of alcohol. There is a great difference when we establish by law as we are doing here an automatic guilt just because an accused person's blood contains a certain percentage of alcohol. This is a complete change in the law as we have known it up until now. This cannot be denied. Even the Minister of Justice has not denied it.

Under this clause and the preceding clause it is not important whether a person can or cannot tolerate alcohol. If he has had two drinks at lunch, at a wedding or at dinner, he is automatically subject to being indicted for an offence with all the consequences that follow that indictment. It does not mean there must be an indictment, but there could be an indictment. This means there would be a record on one's passport, that no bond of any kind could be obtained for employment and that one could not go across the border to the United States. These are serious consequences when one considers that what is involved is not a question of guilt in the common law sense but is merely the fact that a person has so much alcohol in his blood.

• (3:20 p.m.)

I want to bring to the attention of the house, the minister and the parliamentary secretary that we are dealing with a fairly serious matter. I am not suggesting that I do not support this amendment because it has certainly been argued, if not proven, that a number of motor vehicle accidents are the result of drivers having partaken of alcohol. I do not deny or argue against this, and possibly this is the time to bring in a law to prevent drinking and driving or any combination thereof. What I am saying is that if we are going to do this we had better bring to the attention of the public exactly what it means.

I should like hon. members to consider the change we are making. There is a difference between negligence and criminal intent on the highway and elsewhere because the courts have consistently ruled that when you take your automobile on the highway you can expect certain dangers and that some people may fall asleep at the wheel. You can expect that you may encounter on the highway something other than absolute safety. If we say now that one can expect anything but someone driving who has had two drinks, then that will be the law and I would have no quarrel with it. The minister and the government should consider seriously whether the people really understand what is being done and whether they are willing yet to accept such a law. If this is not the case we will have police forces not too willing to follow the letter of the law. This will result in ineffective enforcement.

It is very important that we stress what 80 milligrams means, and what the law means when it says that the punishment for each subsequent offence is imprisonment for not more than one year and not less than three months. This involves quite a change. People know they should not drive when they have been drinking or they probably will lose their licences, be liable for damages and not be able to obtain insurance, but perhaps they are not yet willing to accept the fact that they might go to jail for three months.

As I have said, social attitudes have changed. People do go to lunch and sometimes have a drink or two. They go to banquets and weddings and they drink. What we are saying now is that if someone has had a drink or two he must not drive. We are not referring to drunk or impaired driving. There is no question that an individual may have a drink or two but not be drunk or unable to

drive. With this change it is not necessary to prove that an individual was impaired. All the authorities must do is show that his bloodstream contained .08 per cent alcohol.

We must also consider the other change dealing with the breathalyzer test. If an individual refuses to take a breathalyzer test he is guilty. The minister argues that he is not really guilty of an infraction of this law but is guilty of refusing to take a test. The punishment for refusing to take a breathalyzer test is identical with the punishment on a conviction for drinking and driving. When the punishment is the same for a conviction under the section or refusing to take the test, there is not much rationalization in the argument that it is not really the same offence. If you refuse to incriminate yourself then you are guilty.

At this moment the minister is probably discussing a charter of human or individual rights. One of the sections of that charter is likely to be to the effect that a Canadian need not incriminate himself. How can we possibly justify these two points? If we say in the proposed charter that an individual need not incriminate himself and, on the other hand, that he can be forced to incriminate himself under this law, how can we justify our position? We suggest on the one hand that an individual must take a breathalyzer test unless he has reasonable grounds to refuse. That is a strange attitude to adopt when dealing with police forces and administrators of the law. We cannot very well justify or reconcile these positions.

In discussing this matter the minister said that, after all, it is the same as being forced to be fingerprinted. In some cases an individual may be forced to be fingerprinted but that does not necessarily mean he is guilty of an offence. An individual's fingerprints may be found at the scene of a crime. That individual may well have been there and his fingerprints may be the only ones found, but he still has the opportunity to show that he was not guilty and the Crown must prove that he is guilty beyond any reasonable doubt.

The proposed change states that if an individual has a blood alcohol content of .08 he is guilty of an offence. This is tantamount to suggesting that if your fingerprints happen to be found at the scene of a crime you are guilty without recourse. We must really consider whether we want to go this far.

An hon. Member: And you end up with a criminal record.

[Mr. Otto.]

Mr. Otto: We are trying to have records expunged after a certain period of time; yet we are instituting now the creations of records for drinking and driving. Perhaps this is the time to place an absolute prohibition on drinking and driving, and when I say that I mean even one drink. If that is the case, then perhaps this will be a good law. We must indicate to people that from now on they cannot drive after drinking. We must also consider whether Canadians will understand what the fact is. I have no objection but I think Canadians should be made aware of the situation. They must understand that they will have to change their social habits.

I cannot understand how anyone can possibly justify that a refusal to incriminate oneself is tantamount to being guilty of an indictable offence. I am sure we will hear other arguments in respect of other facets of this bill. My purpose in rising today is merely to bring to the attention of the minister and the government this one provision which I think is not in accord with the general feeling of the public. I certainly think that the proposed changes to section 224 should be removed.

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, I do not want to delay unduly the passage of this bill or its referral to the Standing Committee on Justice and Legal Affairs where I am sure it will receive very careful scrutiny, but I do think there are certain observations which can perhaps be more conveniently made at this stage.

In spite of the admonition delivered a few minutes ago by the hon. member for Winnipeg North Centre (Mr. Knowles), which I will deal with it in greater detail in a moment, along with many others on this side of the house and on the other side, if they were free to express their opinions, I feel this bill should have been presented in a divided rather than in its present omnibus form. I realize there are parts of the bill which are very good and that it contains amendments to the Criminal Code which are long overdue. But at the same time many other matters could and, I suggest, should have been included in the bill by way of amendment. I suggest that in many respects today our Criminal Code is indeed archaic and is not moulded to or in tune with the times in which we are living. I would like to put on the record just a few of the sections of the Criminal Code which are indeed archaic. For example, section 72 says:

• (3:30 p.m.)

Every one who challenges or attempts by any means to provoke another person to fight a duel, is guilty of an indictable offence—

I do not think we have had very many duels in Canada lately. This is a section that is indeed archaic and could very conveniently be struck out. Another section says:

Every one who for valuable consideration carries on or plays or offers to carry on or to play, or employs any person to carry on or play in a public place or a place to which the public have access, the game of three-card monte—

And so on. When did we last hear of three-card monte being played in Canda? The Fathers of Confederation may have played it, but I am sure it is not played in Canada today. Another section says:

Every one who fraudulently pretends to exercise or to use any kind of witchcraft—

And so on. Is anybody practising witchcraft now?

Mr. Bell: Yes, the government.

Mr. McQuaid: Witchcraft is an offence punishable on summary conviction. These are only some examples. There are many other sections which should be taken out of the Criminal Code because they are meaningless. I suggest that now that we are going to amend the Criminal Code the government should have done a real job and taken out some of the sections which we do not need.

The minister has assured us that such amendments are on the way. I am prepared to accept his assurance in this respect, but at the same time I must express my very sincere hope that the necessary revision of the code will be made just as soon as possible.

Setting aside these considerations for the time being, I would like to return to my contention that the bill should have been presented to us in divisions rather than in its present form. When the Minister of Justice (Mr. Turner) moved second reading of the bill on Thursday, January 23, he asked this very question:

Why should this bill be split?

Whether he recognized it or not, he then proceeded to answer his own question because he said, as reported on page 4717 of *Hansard:*

Mr. Speaker, in introducing this massive bill I am very sensitive of the solemn duty that I have to the law of this country and of the effect that this bill, if adopted by the house, will have on the individual lives and individual human rights of everyone in Canada.

On the same page he said:

The omnibus measure contains matters of deep social significance which, in the course of time, will affect the lives of most of us, perhaps each one of us, in varying degrees.

These words are very true. Therein, I submit, lies the reason why this bill should have been divided. As the minister said, it can affect and possibly will affect the conscience of every member of this house and will at some time or another touch the conscience of all the people of Canada. There are some principles in the bill with which I cannot agree. For that reason I shall be required, I submit, to vote against the whole bill. There are parts of the bill which are extremely good. So far as I am concerned, 95 per cent of the bill is good. I would like to vote for those parts which are good but I cannot—I will answer the argument of the hon. member for Winnipeg North Centre in a moment—vote for the whole bill because it contains clauses with which I cannot agree.

The minister put forth practically the same argument as was put forward today by the hon. member for Winnipeg North Centre. He said we will have the chance to vote separately on these issues when the bill reaches the report stage, and at that time it can be considered clause by clause. I agree that in all probability this privilege will be extended to us but I ask, how does that help the situation? When the bill is being studied clause by clause, if there is a clause with which I do not agree I will naturally vote against it. In all probability the clause will carry because the government will have a majority on the Committee and in the house when the bill is being considered at the report stage. Therefore in all probability the clause with which I disagree and against which I shall vote will carry.

The bill will come back to us in omnibus form. What am I expected to do then? What is the hon. member for Winnipeg North Centre going to do then? Is he going to swallow himself? Is he going to reverse himself then simply because the clause with which he disagrees is still in the bill? The hon. member mentioned the clause dealing with lotteries, and I will take that as an example. He said he cannot go along with it. But even if he votes against it at the report stage it will be included in the bill for which we shall be asked to vote on third reading.

Mr. Knowles (Winnipeg North Centre): Don't be too sure.

Mr. McQuaid: If the hon. member wants to vote against that clause, he will have to vote against the whole bill. I am assuming that the amendment he says he will submit will be defeated in committee. I submit this is a reasonable assumption. The bill will then come back to us in its complete form with the lotteries clause of which the hon. member disapproves, and he will be required, as will I and every other hon. member, either to reverse himself and vote for the whole bill or vote against it.

I suggest that this places hon. members on the horns of a dilemma, and this should not be. Every member of this house should have the privilege of making a choice. I suggest, too, that deep down in his heart the Minister of Justice and many other members on the other side realize that what I have said is correct. But, as the minister says, the bill is not his bill. It is identified, he said, with the indelible print of the Prime Minister (Mr. Trudeau). The Prime Minister is the one who says the bill must not be divided.

Apparently there is not a man on the government benches who dares stand up and say no. Apparently there is not a man on the government benches who has the courage to say that he will follow the dictates of his own conscience irrespective of the representations made to him by the Prime Minister. It appears to me there is not a man on the government benches today who dares go into a cabinet meeting without first hanging his free will with his hat and coat in the cloakroom. There is not a man who dares to go in there and dispute anything the Prime Minister suggests to them as being good. The government and this parliament are being ruled, and as a result are suffering, by the iron hand of the Prime Minister.

• (3:40 p.m.)

The hon. member for Winnipeg North Centre argued the other day that you could not divide a bill such as this into 120 parts. I agree. Certainly you cannot take this bill and divide it into 120 parts, and nobody suggests that you should. But this is a bill—and for all I know it may have been designed this way—which can very conveniently be broken down into parts, as was so ably pointed out a few days ago by the hon. member for Calgary North (Mr. Woolliams). The bill very conveniently lends itself to the divisions that he outlined: Clauses referring to abortion, clauses referring to homosexuality, clauses referring to lotteries and gambling, and all the remaining clauses. This is a very convenient and more or less natural breakdown of the bill, and there is absolutely no reason why the government should not allow this division to be made. It is a division which would allow every member of the house to vote against what his moral convictions tell him is bad and at the same time to support what he knows is good. It is a division, I suggest, to which every member of this house is entitled, and to refuse it may very correctly be categorized as one of the greatest injustices ever perpetrated by any government against the elected representatives of the people.

The minister said the other day when he introduced the bill that these amendments have been tested by public opinion and have received a popular mandate. At page 4719 of *Hansard* he is reported as having said:

> We believe it has been tested favourably with the people of Canada and has met the approval of the people in a general election.

The only thing that was tested in the June 25 election was the personality of the Prime Minister, and the Minister of Justice, the Solicitor General (Mr. McIlraith) and everybody else on the other side of the house know that that is true. There was no national examination of the principles of this bill. From my own experience at least, I never heard homosexuality, lotteries or abortion mentioned during the whole election campaign. We were privileged to have the Prime Minister (Mr. Trudeau) in our province during the election campaign, and I am sure that he never raised these issues with the people of our province.

I am quite prepared to suggest that the greater percentage of the electorate of Canada did not even know that these issues could possibly arise, but even if they did I still suggest that that does not give a clear mandate to the other side of the house because I would remind them that more people voted against them on June 25 than voted for them. If it was an election issue, then I suggest that more people said "no, we do not want it" than said "we do want it" because the figures will show that at that election 54.5 per cent of the voters of Canada voted against the government while only 45.5 per cent voted for them. It is true that they were able to secure a sufficient number of seats to form a government, but it is not fair for them to rely on what they term the tremendous vote they received.

I do not propose to deal at this time in any detail with the controversial clauses of the bill. The time to do that is in committee, and I will have more to say there. In my opinion, however, to assume that simply because a person happens to be an adherent of one or another religious belief he is automatically for or against certain of the controversial clauses of this bill is not correct. One must not think of this problem in the terms of Roman Catholics against all others. For example, opposition to abortion is by no means the exclusive preserve of Roman Catholics. The fact is that a growing number of Protestants and Jews are today opposing the widening of the grounds for abortion. For example, just last week the congregation of Metropolitan United in Edmonton passed a resolution urging the government to split the bill. They asked that the government do the very same thing we are asking them to do today—split the bill.

I also suggest that no religious group in this country is trying to force its ideas down the throats of the Canadian people. Those who oppose abortion oppose it because they are convinced that foetal life is human life and that to destroy human life at any stage is deliberate, premeditated, cold-blooded murder. That is the reason we who are opposed to abortion stand opposed. The fact that foetal life is human life and that life begins at conception is not exclusively a theological opinion, although there are some theologians who hold that view. It is also a hard, cold scientific fact which has not yet been successfully disproved. It is acknowledged and concurred in by a publication issued by the government of Canada entitled "The Canadian Mother and Child". I read in that government publication not long ago that when a sperm unites with an ovum a new cell is formed and a new life has begun. This statement is also confirmed by the chairman of the department of biology at the University of San Francisco, Dr. Edward L. Kessel, who has said:

> The scientific evidence shows conclusively that life begins at conception.

The Minister of Justice himself admits that some of the provisions pertain to life itself.

Having satisfied myself about that basic fact, my conscience will not allow me to support any amendment to the law which will make it easier than it now is to take the life of a potential human being. If the life of a mother is in danger, yes, but beyond that I suggest we must not go.

Let me remind hon. members that just as sure as we are sitting here this afternoon the proposed widening of the abortion law if it is allowed, will only be the first step toward the next move of abortion by consent. The hon. member for Winnipeg North Centre indicated this afternoon that he would like to see all provisions with reference to abortion removed from the code. This is just another way of saying that there should be abortion by consent. I think that is wrong, and I refuse to prostitute my moral convictions to the cause of any political party. That is the reason I say we should have a free vote on this bill, and the government should have allowed it. I also believe the bill should have been divided.

In any case, my main point is that those of us who feel this way in conscience should not be forced to vote against those amendments which we know to be good and believe should be made the law of the country. For example, I go along entirely with the provisions of the bill which deal with the tightening of the law in so far as drunken driving is concerned. We have to stop the slaughter on our highways. If the amendment proposed by the Minister of Justice will have that effect, I want to go along with it. I am in complete agreement with the proposal that there should be tightening of the law regarding guns; I go along with that completely. I am in complete agreement with the suggested amendment whereby witnesses cannot be held indefinitely in jail pending the trial at which they are going to give evidence. These are things that I would like to vote for, but I am not allowed to vote for them because my conscience will not allow me to vote for one or two clauses which I feel to be bad.

I submit that for these reasons the bill should be split. Hon. members who sit on the treasury benches say that the bill will not be split. Yet there is still a hope—at least I hope there is—that the private members who sit on the other side of the house will be able to convince their party, the Minister of Justice, the Prime Minister and his cabinet that this bill should be presented to us in a divided form rather than in its present omnibus form so that I and many more like me who want to vote for many of the provisions which we know to be good can vote for them and at the same time vote against those which we are convinced are bad.

• (3:50 p.m.)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in taking part in this discussion on bill C-150, commonly called the omnibus bill, I would like to make a few very objective remarks, in order to put before the government and the house my opinion on the various amendments to the criminal code contained in the bill.

Several members set forth their views on the bill. The minister voiced his own at length as well as that of the government. Some lawyers put forward their ideas most eloquently. Indeed, I took great interest in reading the speech of a doctor, the hon. member for Hull (Mr. Isabelle), and I congratulate him for the great deal of information he gave the house, though on some points other doctors may disagree.

My wife has been calling upon doctors' services for 30 years. During her twelve pregnancies, I always appreciated the doctor's honesty and the great care he took to protect the life inside the mother's womb, while taking all the necessary steps to keep her in good health. I am convinced that our doctors are generally well qualified and conscientious.

One lady has expressed eloquently her ideas, namely the hon. member for Vancouver-Kingsway (Mrs. MacInnis). I wish to congratulate her for her really dignified remarks, which are a credit to the fair sex.

I was greatly impressed by the seriousness shown by hon. members in the discussion of this bill. We know that there is concern on all sides, but there is also sincerity and good will.

As for myself, I am neither a doctor nor a lawyer, but my responsibility as a father makes me aware of the seriousness of this problem.

If, as the Minister of Justice (Mr. Turner) suggested, the government was given a mandate at the last election to get the amendments he introduced passed, it is also clear that the member for Bellechasse, was by the same token given a specific mandate, since at each meeting he held, he drew that question to the attention of the electorate without passion or demagoguery. Like many others, I wish the amendments in the omnibus bill had been introduced separately, which would have left each hon. member free to take a stand according to his conscience and to accept what he deemed acceptable and reject what he deemed unacceptable. The government will certainly answer that we can do it, either at the committee stage or when considering the report of the committee. However, at the stage of the third reading, the bill will stay undivided and, consequently, will be adopted or rejected as a whole, which means that in order to reject what does not seem acceptable we shall have at the same time to reject what would seem to us necessary and useful to society.

I have discussed that problem with the Minister of Justice; I must recognize that he has been very courteous towards me, for which I thank him.

However, in presenting to the house, in one bill, all the amendments he intends to bring to the Criminal Code, the Minister of Justice seems to have been willing to follow tradition. I am told that actually, in 1954, I think, the government followed the same course. It seems to me that when it is a matter of improving something, it would be advisable not to follow tradition. This government likes to be considered as being in the van, because it wants to amend the standing orders of the house, and I agree with that; but the people also want those amendments.

The amendment which the government wishes to effect in section 195(2) of the Criminal Code is of the utmost importance since it is likely to change the meaning of the term "homicide". I have before me a letter dated February 5, 1969, which was sent, with a document, to the hon. member for Bellechasse and, probably, to all other hon. members, by an association of parents. It shows that 13 organizations request exactly what several others requested before me and what I myself and now requesting, that the bill be divided so that we can accept what is acceptable and reject what does not seem acceptable to us. Among those associations are the Société Saint-Jean-Baptiste, a Parents Association, a chapter of the Knights of Columbus, the Catholic Nurses of the Province of Quebec, the Policemen Brotherhood of Montreal and the Federation of Policemen Brotherhoods of the province of Quebec.

One of God's commands is as good in 1969 as it was originally: "Thou shalt not kill." If I understand it correctly, Mr. Speaker, it means that we cannot take the life of our fellow-men. But what is life? It must be something extremely valuable since God, our Maker, made it one of his commands not to deprive our fellow-men of life.

It seems we are assuming that for a human being life only begins the moment a child is

born. I cannot possibly accept such an interpretation of the concept of life. I sincerely believe that God alone creates life, but in His infinite wisdom he associates himself to man to carry out his work. Consequently, a man and a woman become procreators in uniting in the conjugal act to fulfil their mission, and providing there is fecundity, in my opinion, the life of a new human being starts there immediately. I believe that things could not be otherwise since, according to God's will, life begets life. First of all, one must be alive and have life to be able to transmit life according to the law of creation. I have here also a document that was prepared by the Association of hospital medical boards in the province of Quebec, in which one can read the following:

The medical board is the body which in each hospital includes all the practising physicians. Lately, as a result of the presentation of the government bill on abortion, the association got in touch with all its members in writing or at meetings to discuss that bill. The directors have considered all the views expressed and they are pleased to give you their conclusions on abortion and that bill.

The physicians of the Quebec hospitals believe that any abortion is a homicide, because the foetus is a human being. In the present state of medicine, the foetus is a living human being and has the right to live as all other human beings. Even from a legal point of view, the foetus is already considered to be a complete human being, since he is entitled to estate rights and the State still considers non-therapeutic abortion as a crime liable to life imprisonment.

Mr. Speaker, Man is able to conceive plans of all kinds, in various areas, but he will never succeed, once dead, to bring himself back to life. In spite of science, of various discoveries, of the power of human intelligence, there has never been a man who could create something, a simple plant, a humble blade of grass. Man can improve it, help it grow faster and better, but never, in spite of all his intelligence, will he be able to create it, to give it life.

Our presence here as human beings, alive and conscious, is not due to our own will, but to the respect and the protective feeling which our parents had for life, in spite of difficulties that confronted them, and of troubles of all kind they had to endure.

• (4:00 p.m.)

The human capital, the inhabitants themselves are the greatest wealth of our country, and this is so true that we may well ask ourselves—and rightly so—what all the other physical riches of our country would be worth if there were nobody to use them.

All things created were made to be used by man, by human beings endowed with life. Our forefathers fought for their lives and their survival and, by doing so, they managed to build up the Canada of today.

Our ancestors laid the groundwork of our country more than 350 years ago. All levels of government have successively passed pieces of legislation aimed at safeguarding the lives and health of the individuals, by every means, because they have realized that the human capital is the true wealth of our country.

Those who lived before us did not always have an easy life. In the light of present day living, our parents accepted their fate at the cost of tremendous sacrifices and under most difficult circumstances.

In fact, it is only necessary to go back twenty years to make comparisons. Some of us have known what living conditions were at that time. As a matter of fact, roads were not cleared in winter time as they are nowadays for automobile traffic.

Besides, a great many parishes did not even have telephone service. It is easy to imagine what were the sufferings endured by women throughout their pregnancy. Yet, there was no question of seeking abortion as it is the case today. As medical knowledge was less advanced, mothers could not as easily ask for medical assistance and they had to endure the discomforts of pregnancy for several long months. Medical science is now capable of giving pregnant women efficient treatments which enable them to fulfil their motherly role with fewer difficulties and worries.

Furthermore, childbirth would then take place at home. Very few women were fortunate enough to have children in hospitals. Nowadays this is a common event as most babies are born in hospitals. Obviously, mothers-to-be have better chances of having the care they need than in the past.

Society spends tremendous amounts of money for the purpose of saving and protecting human life. In universities scientists conduct research to discover ways of healing diseases which might lead man to his death. Society builds hospitals where doctors, nurses and the whole staff dedicate themselves to the care of the sick. And heaven knows to what extent medical science has advanced over the past few years, because Providence endowed man with the necessary intelligence to discover all the means made available to him in order to ensure his conservation.

Men themselves through their governments have always been enacting legislation for the protection of life. It is the function of the police officer, for instance, to watch over the property of man and to ensure the protection of his life.

It is also the duty of those who govern to enforce the laws so as to provide our old people with the financial assistance necessary for their maintenance. The same duty falls upon the civil servants responsible for the administration of welfare pensions, veterans' pensions, disabled persons' pensions and family allowances.

We spend millions for national defence, for the construction of shelters in case of nuclear warfare, therefore with the intention of protecting our lives. We have an instinct of self-preservation but I cannot see why this life which we love, which we cherish and which is beyond our control, should not also be ensured for other human beings.

By the will of God, women perform a task of an incomparable greatness in our human society and therefore humanity owes them a great deal. We all had a mother and although mine is no more, I thank her for maintaining my life in her womb in spite of the sacrifices and inconveniences she likely experienced.

I witnessed the birth of every one of my 12 children and I quickly understood the meaning of the great sigh of relief of the mother as she asked the doctor: "Is my baby alive?" and got a yes in reply.

It is at a doctor's request I am saying all these things, Mr. Speaker, I am convinced that life is something of an exceptional value, that cannot be measured and that we must endeavour by all means to preserve it even in the case of those we cannot see with our own eyes but of whose existence we are aware. It is our responsibility to provide them with that opportunity, to enable them to replace us and live their own life on earth.

At a doctor's request, I even witnessed an extremely difficult childbirth and I heard that cry on the part of the desperate mother: "Doctor, save my child first!" That, I believe, unquestionably proves that life is a priceless gift, the value of which only a mother can really understand.

I know there is still nowadays a great number of married women who accept their responsibility as mothers and try by all possible means to preserve the life of their unborn child. Our society should do more in order to help pregnant mothers; thus induced abortions would be less numerous.

[Mr. Lambert (Bellechasse).]

We are told that people still have abortions, though illegally. Maybe so. However, in a letter I received from "l'Alliance pour la vie", signed by the president and vice-president of that association, hence by two women, I found the following passage:

> Some hon. members feel, it seems, that the new law on abortion will legalize the act only for serious reasons such as saving the life of the mother. Although this is seldom necessary, it is generally recognized that abortions for such motives are already legal. The changes proposed by the omnibus bill open the door far wider than that.

What does the Medical Association have to say in this regard? This, and I quote:

> It is universally recognized, by all serious obstetricians, that the cases where a therapeutic abortion would really save the life of the mother have become extremely rare and are growing increasingly fewer with scientific progress. On the other hand, an abortion performed to improve the health or the well-being of the mother, or to prevent the birth of a possibly malformed infant, becomes an act of social euthanasia. If a malformed being can be killed in the womb of his mother, why can he not be killed outside of it?

Doctors are speaking here, Mr. Speaker.

I continue:

> However, an abortion performed when the life of the mother is endangered by the pregnancy can be looked upon, in that case, no longer as a measure of euthanasia but as a case of legitimate defence. Legitimate defence does not necessarily mean unjust aggression. However, for an act to be considered as legitimate defence there must be on the one hand some relation between the defensive measure and the aggression and, on the other hand, the offensive act must be the only possible means of defence.

Mr. Speaker, Bill No. C-150 has already been studied by other organizations. A while ago, the hon. member for Winnipeg North Centre (Mr. Knowles) told us that unfortunately there are not very many women in the house; if there were more of them, perhaps the men might think differently.

• (4:10 p.m.)

I was sent a petition signed by 5,000 people. Of course, I did not read all the names one after the other, but I did notice that the vast majority of those who had signed were women. They are petitioning against abortion and homosexuality. I shall deal with it at greater length later.

Bill No. C-150 proposes to legalize abortion for reasons related to protecting the health of the mother. It is left to the discretion of a small abortions committee to pass judgment on the matter. Indeed, the act will allow two doctors, who constitute the majority of a

committee of three members, to authorize abortions for such reasons as they choose.

Now, to go back to the letter sent by the Alliance for Life:

In Colorado, California and elsewhere, measures similar to this one have multiplied the number of abortions.

Out of one hundred abortions performed in hospitals, 90 are performed on the ground of "mental health", a rather lax phrase that covers anything and everything. We have been searching the minutes of the parliamentary committee of health and welfare to find out the different meanings of the words "mental health".

If there are more abortions performed in hospitals, this does not mean that there are less criminal abortions. In Great Britain, however liberal the law, the death rate due to criminal abortions is higher than that in Canada.

—as compared to the population ratio.

What is then the reason behind those changes? Clarifying the present law? Actually, adding words impossible to define will not help, in this respect. Will the law answer a pressing medical need? Doctors are the first to admit that there is no such need, as proven by the decreasing rate of postpartum deaths.

Today, that rate is only three deaths for 10,000 live births, that is less than a tenth of the 1940 rate.

The requests for abortion made to physicians are almost invariably for social reasons. Could it be that the changes proposed in the act are a concession to the pressures exerted by a small group of doctors who want to free themselves from any legal limitation?

We are told that a committee of physicians will decide whether, for a particular woman, there really is a sufficient hazard to warrant abortion. But as reported on page 543 of the proceedings of the standing committee on health and welfare in 1968, Dr. Walters said, and I quote:

If one considers the differences in the incidence of suicide throughout the world, one finds that the hospitals with the largest number of abortions are those with the most lenient committees. In a hospital with a yearly turnout of 20,000 deliveries, only a few abortions will take place to save the life of the mother. In another hospital with 10,000 deliveries, the number of abortions will be 40 times greater annually and the difference does not lie in the incidence of those abortions, but in the fact that if a woman is sent to that hospital, it is notorious that she will be able to get an abortion.

If the bill is passed, I anticipate two possible effects. On the one hand, if hospital committees give a narrow interpretation to the words "of the life or health of the mother", very few abortions will be allowed and the problem of illegal abortions will thus remain unchanged. On the other hand, with a somewhat wider definition of health, it will always be possible to allege a reason for finding it dangerous to continue the pregnancy. A law which lends itself to various interpretations and fails to ensure greater justice is incomplete.

In order to alleviate that problem of illegal abortion, it is our responsability to get to the bottom of things. Besides, it is the only way to expose the real causes of this alarming situation which should not exist in a vast and rich country like Canada.

And one of those grounds is connected with housing, especially in our large urban centers. Thanks to our great planning experts in this field, less and less of housing units are being built nowadays that are large enough to accommodate a normal family. They include, as a rule, a small kitchen, two bedrooms, one bath room and a living room. How can it ever be possible for an ordinary couple to house 5 or 6 people under such conditions?

Farmers care more for birds than society for the family. As a matter of fact, birds, especially swallows, build usually their nests in our farm buildings. They are allowed to build them in sufficient numbers and we do not worry about how many offsprings there are in the nests.

As far as children are concerned, they are being more and more ignored by modern society. It is an unfortunate fact and our society has nothing to boast about. But facts must be faced squarely if one is the realize that the situation has reached alarming proportions and often places couples in untenable positions which may be, if we really get to the bottom of things, a cause of abortion.

Another is sometimes the lack of understanding of the immediate family of the pregnant woman and this applies to every level of society, as well as to unwed mothers.

Furthermore, an insufficient income often gives rise to insuperable financial problems, and that situation gets worse from year to year because of the tribute people must pay, through governments, to the dictatorship of money and credit and to the golden calf.

In our ultramodern society, unfortunately, women are exposed to risks of all kinds, and that is another reason why we will have to find some solution, to apply in the first years of schooling on account of the great concentration of pupils at the same place, to what has become a serious problem for young girls. They are not sufficiently protected, unfortunately; school authorities do not watch them closely enough and too often, a number of

parents fail in their responsibility to give sexual education to their children.

Magazines, movies, advertisements of all kinds glorify sex. The inevitable results are accidental or unwanted pregnancies, and abortion is then contemplated.

Today, too many people complain about the way young people behave and protest. But do they wonder why? Do they seriously look for the cause? Are young people the ones who produce the vulgar movies that can be seen in theaters or on television, particularly on the national network, and that are such that they corrupt the very young children instead of helping the parents to educate them?

Are the pleasures of the flesh the only real values, since they get such publicity through all possible and impossible means? They are not. Adults are responsible for all the disorder, although attempts are made to blame the young people. Let us first assume our responsibilities as adults, in a mature way, and then we might complain about the way the young behave, if need be.

• (4:20 p.m.)

Faced with so much publicity and calls to all kinds of pleasures, our youth need an extraordinary and truly heroic upbringing to resist. If we were in their situation, we would perhaps be worse.

Having analyzed the few cases I brought forth, it is only natural to try and bring some remedial measures. This is what I would like to do in the few minutes still at my disposal.

Some time ago, the family planning centre made its position known on the legalization of abortion. The solutions suggested by the centre as a result of a study which lasted several months were meant to settle that complex problem as soon as possible. Here is how the members of the team from that centre explained their position, and I quote:

1. We would like to succeed in building up a responsible approach to fertility, so that all pregnancies could have a positive outcome.

2. We shall never consider abortion as a matter of choice, but as an unavoidable solution in some specific cases.

3. The suggestions made are meant above all to decrease the incidence and consequences of abortions that are now being practised.

The centre feels that the problem can only be solved through legislation; indeed, some parallel measures must be provided, such as the establishment of organizations to assist the mother and look after pregnant women. Whether or not she would like to have an abortion, any woman who cannot find elsewhere the necessary care facilities, should be in a position to ask for medical advice during her pregnancy. In addition, the necessary means should be available to alter the conditions which made pregnancy undesirable.

Modern society offers more and more means to release woman from past bondage and poverty. Such means should be made available to every mother during her pregnancy and after her delivery not only to enable her to send to school the child to whom she gave birth but also to provide her with the money needed to satisfy her needs and those of her children. That is where the basic guaranteed income should come in to ensure a decent living to all. It is urgent to take steps along that line before it is too late.

There is no reason for Canada to have a continuing decline in its birthrate. Let us wake up before it is too late. I wonder why the proliferation of human life has become something to be afraid of in a country as widespread as ours.

In His infinite wisdom, God has indeed provided our earth with sufficient resources of all kinds to satisfy the needs of each and everyone of us. We should further direct our efforts towards an equitable distribution of wealth in order to meet the requirements of our families and to secure their normal fulfillment.

Can anyone add inches to this height, even with any kind of treatment imaginable? No one. Why? Because this is beyond our capacities. Let our youth learn more about the greatness and the dignity of motherhood together with the respect and care pregnant women deserve. In so doing, we would realize that life is a precious gift to everybody, even to the unborn baby.

Mr. Speaker, those were the few comments and suggestions I wanted to make before the house concerning this particular subject of life and abortion.

I will deal very briefly with that part of the bill concerning homosexuality in order to offer my comments on the redress of such a deplorable situation.

This aspect of the bill upsets me deeply. It deals with the amendment intended to legalize homosexuality between consenting persons of 21 years of age or over. It is beyond my understanding that it has become necessary to amend the criminal code to permit homosexuality on the grounds that it is practised nevertheless.

To follow up such an argument, we should add that it could become necessary to legalize theft when it is committed by consenting persons over 21 on the grounds that it would be done anyway.

That is nonsense, I might be told. I agree and that is why I cannot accept a similar argument with regard to homosexuality. It is generally recognized that homosexuality is a disease, and sometimes a vice. I believe this is true to a very large degree. That is why I do not think that the appropriate cure is the legalization of such a practice or such a vice.

In order to explain myself, Mr. Speaker, I shall say that a few years ago a terrible disease, tuberculosis, was prevalent in our country, and perhaps more particularly so in the province of Quebec.

Each year, thousands of people died from the disease. What was the reaction? Did the government pass legislation to legalize the disease, on the grounds that it was prevalent? Of course not, but it launched an education campaign, asking the people to co-operate to control it. Indeed, thanks to all kinds of preventive and remedial measures, the ravages of tuberculosis have been reduced to the minimum, so that the number of people suffering from that disease is now very small.

That is the reason why I sincerely believe, Mr. Speaker, that the cure for homosexuality is not legalization but rather recourse to preventive measures such as a skilful and objective information campaign among the public, and to curative methods applying to the victims of that evil.

Effective steps should be taken in jails and penitentiaries so that young people will not be contaminated by professionals in depravity. Parents should also have an opportunity to secure information on that problem, and so to caution their children in time, even in their first years in school.

I have been given a petition signed, as I said earlier, by about 5,000 people, who, as it happens, are against Bill No. C-150. Instead of reading it, I shall ask the house to allow me to table those documents which might be printed as an appendix to today's *Hansard*.

Finally there is also the amendment aiming to make lotteries legal. In that respect, I believe that as long as our monetary system has not been reformed or adapted to meet the needs of the times, governments will experience more and more serious difficulties. This is why, I believe, the government is now thinking of legalizing lotteries. However, if we had a healthy monetary system, adapted to the needs of our times and making use of the Bank of Canada, such as the one Social Credit is proposing, and which I am told was referred to at the federal-provincial conference, the State would not have to resort to such a system of disguised taxation consisting of lotteries.

As to the amendment regarding driving while intoxicated, I am of the opinion that it is an improvement. Indeed, too many drivers are a real hazard on our roads. Every day, we can read in the paper about injuries and losses of life inflicted all too often by drivers who have been drinking. It is time to cure that plague. Our children are killed, families are broken, owing to the death of the father, of the mother, or of both of them. However refusal to submit to a breathalizer test should not, in my view, be considered as a criminal offence.

In short, Mr. Speaker, let me say that I would have liked a free vote on this bill.

I only have two more sentences, Mr. Speaker—

• (4:30 p.m.)

[*English*]

Mr. Deputy Speaker: Order, please. I regret to inform the hon. member that his time has expired, unless it is the wish of the house that he be allowed to continue. I understand he has only one sentence. Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I thank my colleagues for allowing me to continue my remarks.

The government says it was elected to administer and I do not disagree with that. But hon. members were elected to legislate and that is why I would decide in favour of a free vote, without thinking that the government might run the risk of being overthrown. We do not ask for a confidence vote but a free vote, whose only effect would be the passing or the rejection of a bill so important for the future of our country which will continue to develop if we have the wisdom and the courage to assume all our responsibilities.

Some hon. Members: Hear, hear.

Mr. Dumont: I rise on a point of order, Mr. Speaker. The hon. member for Bellechasse (Mr. Lambert) just asked the unanimous consent of the house to table documents and I would like to know whether he was given leave to do so.

[*English*]

Mr. Deputy Speaker: In respect of the point of order I might mention that it is not the practice or custom of the house to proceed in this way. If there is unanimous consent there is no way, of course, that the Chair can resist, but I would point out that it is not a custom of the house to follow this procedure.

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, a great deal has been said about the implications of Bill C-150 from the point of view of conscience and morality. This concern is quite justified. Questions of conscience do arise and for some hon. members and many people in the country there has been a need to consider the relationship between criminal law and morality as well as the role of law in our society. We are a pluralistic society containing divergent groups, religious and secular, representing a wide variety of moral views and standards. There are some important moral values shared by all of us or by a very broad majority. We cannot in this house use our legislative authority to express the morality of one group and suppress the freedom of others to give expression to the things they believe are right.

On the other hand, we have the responsibility to prevent the development of our society to a state where one group's or individual's expression will threaten or undermine the values of the rest to the extent that we cannot co-exist in harmony. Our Criminal Code should be such that in addition to maintaining order it permits the safe co-existence and expression of a variety of moral standards. By this test our Criminal Code has served us badly or at least is ready for the revision which is now before the house. In this connection I refer particularly to the abortion legislation.

There are many people in this house and in the country whose moral views are accurately reflected by the law which prevents abortion in any circumstances. These individuals are being asked to support amendments which would permit limited voluntary abortion. In so doing this group is being asked not to surrender its own morality but to surrender its grip on our laws in order to accommodate

the beliefs and practices of those of different views.

I respect the views of those who sanctify the new life which is created at conception and who would not under any circumstances condone the termination of such a life. This is a pure faith which has been re-examined and tested by them and has survived. But there are many Canadians whose beliefs and values are different and more complex. All hon. members have received a vast number of submissions on all sides of the question. Because the bill is being supported by many on the ground that the law should not reflect a particular morality, the supporters of the bill often are accused of lack of any morality. Some of the criticism is vicious and small-minded. We have been accused of being Nazi butchers for sanctioning the murder of innocents and of seeking through murder to avoid a serious confrontation with our social evils.

In answer to these charges I should like to elaborate on the morality of the many Canadians whose support for abortion is based on moral grounds. To me the existence or non-existence of human life from the moment of conception is a question of definition and semantics. Surely no moral weight inheres in the label. Whatever it is called its existence demands moral consideration. But personally I am unable to rest the moral question entirely on this fact, important as it is. New life is a moral fact, but there are a number of other factors which to many Canadians also have moral weight. There is old life, that is, the lives, health and welfare of the mother and the existing members of the family.

Second, there is the value representing the quality of life. What will the child's physical condition be? What will his mental condition be? How will he be received by his family? Is there a family to receive him? Many people in Canada go so far as to believe a child born in this country should have the right to be born, loved and wanted by his family. It is no answer to say that the fault for an inhospitable environment for a child lies with the society and not with the child. That fact is small consolation to its victims.

The abortion section does not go as far as would be required to accommodate the moral considerations I have described. Abortions are to be permitted only when there is danger to the health of the mother, but it permits to a greater extent the expression of the moral

values to which I have referred. For this reason I support it. May I add that I would not favour absolutely unlimited abortion as was proposed, I believe, by the hon. member for Winnipeg North (Mr. Orlikow). I believe this might encourage the act of abortion as a simple birth control technique. This would ignore entirely the value represented by the life which exists from conception.

Under the bill complex and expensive machinery is set up for the determination of cases in which abortion is to be permitted. There are no estimates of what it would cost an applicant to obtain permission for an abortion, but in California, for example, where there is a simple similar procedure, apart from the cost of the operation itself it costs between $600 and $800 to take advantage of the procedure to obtain permission. In order not to discriminate between the rich and poor I would hope that the terms of medicare might be enlarged to cover the cost of this examination. It will, of course, cover the cost of any abortion which may be authorized.

• (4:40 p.m.)

The other provision of the bill which touches upon morality and about which I should like to speak for a moment is the amendment dealing with gross indecency. There are few Canadians who would believe that laws exist governing voluntary private sexual conduct between a husband and wife or between unmarried couples of the opposite sex. Fewer still would believe that there have been convictions under this section as recently as 1966. Surely conduct, given this context, is a matter of taste and not of morality, and any element of gross indecency is entirely in the eye of the beholder.

I should like to turn briefly to the question of homosexuality. This is a form of sexual perversion which arouses a sense of horror in most normal people. But many Canadians feel an equal sense of horror about the present treatment of homosexuals in this country. For example, our government has been holding in prison under an indeterminate or life sentence, confirmed by the Supreme Court of Canada, one Everett George Klippert, who was a resident of the Northwest territories. Mr. Klippert's only crime or criminal conduct was the commission of homosexual acts in private by consent and without violence with male adults. For this he may spend the rest of his life in prison. Some Canadians believe that Mr. Klippert will spend eternity in hell. That may well be, but that is not the concern of this house.

We are here to define crimes and in connection with homosexual acts we should bear several important factors in mind: that sexual preference is not a matter of free choice but rather the result of complex factors relating to a person's background and upbringing, none of them a matter of choice to the individual; that in many cases redirection of a person's sexual preference is possible, and that in any event the problem does not threaten our social order and should be taken away from judges and jailers and given to doctors and psychologists. Jail is not an acceptable solution to the serious problem of homosexuality. For these reasons I support the proposed amendment or the introduction of section 149A.

I should like to observe in conclusion that Bill C-150, which is a very substantial document making hundreds of changes in the law, does not of itself complete the job of making our criminal law truly just. Congratulations are in order to the Minister of Justice (Mr. Turner) and the Prime Minister (Mr. Trudeau) for the advance which this bill represents, but I hope that we may shortly have another bill, equally considered and perhaps equally weighty, providing many other things for humane treatment of drug addicts, a realistic law condemning the use of marijuana, further reductions in the use of penitentiary sentences as punishment, the abolishment of jailer's rights to torture persons by whipping and clear laws preventing cruelty to laboratory animals under any circumstances.

Mr. Barry Mather (Surrey): Mr. Speaker, I am sure that not often in the House of Commons does an opposition member rise to speak entirely in support of a government proposal. However, I can hardly avoid doing so today for reasons I hope to explain very quickly. I intend to refer to three of the government's proposals to amend the Criminal Code. I have in mind those relating to harassing telephone calls, cruelty to animals, and particularly the government's proposals regarding drinking and driving and the breathalyzer test. Inasmuch as each of these proposals has been advanced for several years by myself, hon. members will see that it is very difficult for me to do otherwise today than support the government which is now bringing them forward, and to urge all hon. members to do likewise.

Let me refer first to the proposal to create a new offence under the Criminal Code to cover harassing telephone calls. As was stated in the minister's explanatory notes of December 9 on this point, what is intended is that the ingredient of the offence shall be the making of, or causing to be made, repeated telephone calls to a person with the intent of harassment. Many persons have at one time or another been subject to this type of harassment, and it is hoped that the amendment will reduce, if not eradicate, this type of behaviour. On that same point, in my Bill C-95, to amend the Criminal Code—harassing telephone communications—I said in part in my explanatory notes:

The purpose of this bill is to amend section 315 of the Criminal Code so as to provide for the punishment of everyone who, with intent to harass or torment another person, repeatedly contacts such person by means of telephone communications.

I am certainly right behind the government's proposal to change the provisions of the Criminal Code in this regard.

The second issue to which I wish to refer briefly is the government's proposed amendment in respect of cruelty to animals. The minister's departmental explanatory notes of a few weeks ago contained the following:

The most significant change in the law relating to cruelty to animals is a provision that will enable the court that convicts a person of cruelty to animals to make an order prohibiting that person from keeping a domestic animal or bird during any period not exceeding two years from the date of the conviction.

The court will be entitled to make such an order if the person convicted has been previously convicted of cruelty to animals and it will be an offence for a person against whom such an order is made to keep an animal in contravention of the order. The order of prohibition will, of course, be in addition to any fine or imprisonment or both that may be awarded by the court for the offence of cruelty. An amendment of this nature has been recommended by the humane societies.

The humane society of Canada, the S.P.C.A., and the animal welfare group, along with others interested in this matter, have for years urged the government to take this step. If this amendment passes, as I hope it will, it will result in a great improvement in the condition of many animals which have been subjected to cruelty by their owners. I also support this amendment wholeheartedly because of my Bill C-69, of some years standing, to amend the Criminal Code, which has similar provisions regarding cruelty to animals.

The third point I wish to deal with in supporting the government's proposal to amend the Criminal Code at this time has reference to the subject of drinking and driving. The minister stated in his explanatory notes:

As the very thorough Grand Rapids study of the role of the drinking driver in traffic accidents showed, the probability of accident involvement increases rapidly at blood alcohol levels over 0.08 per cent—an accident involved driver in this class is almost twice as frequently involved in a fatal or serious accident as the non-drinking driver. It has therefore become apparent that the legislation must set a blood alcohol level which the hard facts of death and destruction demand. The present bill therefore reduces from .10 to 0.08 the level above which it will be an offence to drive. This level was recommended by the Canadian Bar Association and by the Standing Committee on Justice and Legal Affairs—

• (4:50 p.m.)

This is the level established in the British Road Safety Act of 1967, following the recommendation of the British Medical Association. I think we are probably all familiar with the very substantial reduction in death and destruction which has followed the enactment of the British legislation and the enforcement of the breathalyzer test in that country. It is estimated that the legislation saved 1,000 lives in its first year of operation.

In this area the government has gone a very long way along the line I advocated in my private member's bill in 1967. I refer to Bill C-21, an act to amend the Criminal Code, which also spelled out .08 per cent alcohol in the bloodstream as being the level of impairment above which a person should not drive. Bill C-21 was sent to the justice and legal affairs committee for consideration, and many sessions of that committee were held at which we heard expert witnesses testify. We had 13 meetings extending from April to November of 1966, I believe. The result was a unanimous report by that committee recommending the very steps which the government is now proposing.

I hope to conclude my remarks prior to private members' hour so I will not quote at length from the report of the justice and legal affairs committee setting out their reasons for supporting the type of legislation the administration is now bringing forward. In brief, the report states:

It is the opinion of your committee, having heard these witnesses and examined documents in detail dealing with breath tests in various countries for impaired driving, that such tests are an accurate method of determining blood alcohol levels.

The committee's report was unanimous. It continues:

In respect to the civil rights questions involved, your committee was much in the position of the Canadian Bar Association who, in evidence presented to the committee on November 1, 1966, stated:

"What concerned us greatly was reconciling the civil liberties, and traditional rights of an accused with this legislation and we thought that by saying that this would be made compulsory ... speaking from the Criminal Code point of view ... we would not deprive the citizen of a fundamental right. Whether a man is asked to breathe into a policeman's face when he is arrested or into a machine, which will be more accurate than the policeman's impression, to determine whether he has alcohol in his system or not, we feel does not really create such a tremendous attempt to waive the rights of a citizen that it should not be adopted."

This was on the basis of including in the legislation many safeguards to protect civil liberties and the rights of the accused person.

We heard in the committee on justice and legal affairs argument that the degree of impairment varies to such an extent between individuals that no standard level of blood alcohol could fairly be set for all. We also heard argument that, just as there exists in law a set speed limit beyond which a driver may not drive, regardless of individual driving skills, so should there be a set alcohol level. The recommendations of the justice and legal affairs committee dovetail exactly with those now put forward by the government.

Before resuming my seat, Mr. Speaker, I would urge all hon. members to support that part of the proposed amendments to the Criminal Code so that in Canada, as in other countries, lives can be saved. We could save possibly 20 lives a week in Canada and millions of dollars in the destruction of property. What we need is freedom not for drinking drivers but from drinking drivers.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, may I call it five o'clock?

[*English*]

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Lotbinière (Mr. Fortin)—National Parks—Quebec—creation of parks in the province; the hon. member for Surrey (Mr. Mather)—Post Office Department—effect of increased rates on trade papers publication; the hon. member for Broadview (Mr. Gilbert)—Housing—possibility of referring task force report to committee.

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.

PUBLIC BILLS

CRIMINAL CODE

MEASURE TO ELIMINATE FINE PRINT CLAUSES IN INSURANCE POLICIES, CONTRACTS OR DEEDS

Mr. Barry Mather (Surrey) moved that Bill C-19, to amend the Criminal Code (fine print clauses), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, this bill is designed to protect the Canadian consumer in an area where he or she is pretty vulnerable. My hope is that the bill will not be talked out, although no doubt it will be, and that it will be referred for further study to the Standing Committee on Justice and Legal Affairs.

Let me say at the outset that I do not pretend that the bill is a perfect or complete answer to a problem which confronts many consumers, but I know there is a real problem in this area. I think the bill may provide raw material for further consideration in detail by the new Department of Consumer Affairs. I quote from the explanatory notes of the bill:

The object of this bill is to eliminate the practice whereby insurance companies, commercial corporations and individuals embody in insurance policies, contracts or deeds, fine print clauses excluding their liability under certain circumstances.

It is desirable that payment exclusions or exclusion of responsibility be listed plain and clear in the body of insurance policies, contracts and deeds.

Very briefly, the mechanics of the bill are to amend section 328 of the Criminal Code by inserting immediately after that section the following section:

328A. (1) Everyone who, with intent to mislead, prints or causes to print in small typographical

character in the body of an insurance policy, contract, deed or other document issued by him or under his authority, clauses concerning payment exclusions or exclusion of responsibility is guilty of an indictable offence and liable to a fine not exceeding five hundred dollars or to a term of imprisonment not exceeding three months or to both fine and imprisonment.

(2) In this section, the expression "small typographical character" means a typographical character that is substantially smaller than the one used in the body of the printed matter of the document.

When this bill was considered earlier—I think it was last year—some hon. members made suggestions for its improvement. I believe that several of the suggestions have very practical merit. As I say, I do not think the bill as it stands is all that good, but I think it is good enough to have suggestions made about it and to be referred for detailed study to the Standing Committee on Justice and Legal Affairs. One suggestion was made by the present Minister of Consumer and Corporate Affairs (Mr. Basford), who said in part:

I am in sympathy with the spirit of the bill which is in line with the various pieces of consumer legislation and the truth in lending type of legislation which we are considering.

• (5:00 p.m.)

Would the hon. member not think that a better approach would be that adopted by the Liberal party in B.C. and put into the form of legislation many years ago—namely that exclusion clauses be printed in large red type as opposed to black type, thereby making them stand out.

I must say that I agree with that suggestion.

Another good point, I thought, was made by the then hon. member for Restigouche-Madawaska who said:

In order to cover the evil and protect the public it should not be necessary that the offender print (as the bill states) or cause to print the document in question. It would appear to be easier to prove that the company has issued a document than to show that it has printed it.

On reflection I think that this suggestion, also from the government side of the house, has a great deal of merit. In any event I would be very happy to see the subject matter of this bill, which is in line with the general consumer and corporate affairs legislation with which the government is increasingly more concerned, referred to the committee which is set up specifically to deal with these affairs. What I have brought forward and presented is by no means perfect. Perhaps it does not meet exactly what I seek to have met, but the problem is there and I would consider it to be logical for the house to send it on to the Standing Committee on Justice and Legal Affairs.

Mr. Jack Cullen (Sarnia): Mr. Speaker, I believe it is customary and certainly appropriate in this instance to compliment the hon. member for Surrey (Mr. Mather) on introducing a bill of this nature. I know too that the hon. member introduced a bill, namely Bill C-11, on May 11, 1967, which was debated on second reading on October 27, 1967—and here the hon. member was not quite correct in his dates. I find that this bill is worded exactly as was the bill introduced by him previously. The hon. member said at that time:

If legislation of this type were adopted—not necessarily this particular bill—it would ease the troubles and exasperations of a great many Canadian consumers, people who should read but perhaps find difficulty in reading the fine print which has been plaguing so many ordinary buyers of goods and services.

Not having been successful the first time round, I would have thought the hon. member would change the wording of his present bill or the type of bill to give better effect to the kind of remedy which he is seeking on behalf of the Canadian public.

A further reading of the hon. member's comments at that time indicates that he used an exaggerated situation in order to illustrate the detrimental effect of the fine print which is not very often read by the general public. This being the second time the hon. member has introduced the bill, I think he would have been better advised to point out the kinds of things in the fine print which he is seeking to protect the people against and to come forward with specific examples where fraud, as he calls it, has been perpetrated. An exaggeration of a situation may be quite humorous but it is hardly effective in proving a point. Today, however, the hon. member has not provided us with even an isolated instance of the kind of situation against which he is endeavouring to protect the public. A series of court cases where the insured have suffered grievous loss should have been mentioned so that hon. members would be in a position to determine if in fact abuses have been caused by the misuse of fine print.

Certainly I am convinced that the government has a place in protecting the public in regard to most purchases of goods and services which people make, if not in fact all purchases of goods and services. The Department of Consumer and Corporate Affairs is but one good example of the manner in which the federal government has sought to cope

with the responsiblity of protecting the purchasing public.

The hon. member has seen fit to ignore all the cogent arguments presented against his bill on the last occasion when it was clearly outlined that this was an area of provincial responsibility. Provincial governments from coast to coast have passed legislation to protect the purchaser of insurance policies from any fraud being perpetrated as a result of the small print sections of the policy. Careful licensing of agents, regulations outlining the manner in which an insurance policy must be drawn and definitive sections which give the correct meaning to words in policies are only a few of the ways in which provincial governments have given effect to legislation with sanctions.

As in most professions, there is an organization bent on stricter controls for its own representatives. I refer specifically to the Canadian Federation of Insurance Agents and Brokers Association. Although I am somewhat critical of the hon. member's approach to this situation, I think it should be clearly understood that it is only through the highlighting of this kind of legislation that the general public and the insurance companies and agents can be made aware of the fact that the government is on its toes and is watching for any misuse of power or opportunity by agents or companies. I think it is safe to say that insurance companies are now seeking daily to elevate the calibre of men selling their particular policies because in this way they build the kind of reputation which sells insurance. Speaking for myself, it has always been my approach when purchasing insurance, to find, first of all, an agent whom I can trust and then to deal almost exclusively with him in his particular field of insurance.

It is extremely easy to get behind the facade of newspaper, radio and television advertising and find the kind of policy and the kind of protection that one wishes. It has clearly come to the attention of the insurance companies that it is in their best interests and in the interests of successful enterprise that they find the kind of individual to sell their policies whom the general public trusts and respects for the information he is able to give them. I think it is safe to say that an examination of the agents in the million dollar sales club and those who have been honoured by their companies helps to give the general public a larger measure of confidence in the agents with whom they must deal. However, I agree with the hon. member that unfortunately some agents, as in any profession, are quite prepared to take advantage of the sometimes all too gullible public, and it is in this area that legislation can be most effective.

As indicated earlier, the hon. member's bill serves to bring to the attention of the agent who might attempt to perpetrate a fraud that the government is looking into this field. Legislation of the kind we have before us is also a general reminder to the public that they too should be careful when purchasing insurance, but they should also be aware of the fact that insurance companies and agents are carefully controlled in and by the provinces.

If the hon. member's bill became law I wonder whether it would provide a practical benefit to the policyholder. If a policyholder suffers under the present scheme of things as a result of a fraud perpetrated against him, he has a complete remedy in the civil courts. Speaking as a lawyer, I think it is safe to say that it is much easier to establish a civil fraud than one which results in a criminal conviction. Under the present legislation the policyholder is protected by provincial insurance acts, and in addition has a remedy in the civil courts. This is not to suggest that the provincial legislation, to use the hon. member's words, is the be all and end all on the subject, but surely this is where the responsibility lies and where the changes must be made.

Although I compliment the hon. member for the objectives he hopes to achieve through the introduction of this bill, I think it is incumbent upon me to say that I am opposed to this approach for the reasons I have outlined. As I have said, it is a matter solely within the competence of the provincial legislatures, and there are civil remedies available to the policyholder which provide the policyholder with a much more practical and beneficial solution to his problem. Possibly of lesser importance but certainly warranting consideration, the hon. member has failed to list specific examples of the frauds he indicates are being perpetrated against individual policyholders by insurance companies and their agents. I suggest there is adequate legislation and there are adequate remedies available to policyholders and that the proposed legislation in no way enhances the policyholder's position.

• (5:10 p.m.)

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, I listened with interest to the remarks of the previous speaker, especially to the reasons for which the mover of the bill would like it to be referred to the committee on justice and legal affairs.

What surprises me more about my friends of the New Democratic party is that countless bills mostly inspired by the common law are put to the house. Indeed, the bill before us is another example of the difficulties my friends of the New Democratic party often have in distinguishing between what comes strictly under common law and what falls within the jurisdiction of the federal government. Of course, I realize that in Quebec we are used to making that distinction.

The spirit in which the bill is brought forward may be praiseworthy; however, I think that unfortunately the federal government is not competent to legislate in that field. I understand that the hon. member presented a similar bill in 1967; after being discussed for one hour, in October of the same year, it was killed for the reasons I have just mentioned.

I am afraid that the same thing will happen to the hon. member's new bill, and I wonder why he wants to come back with a bill such as this when primarily for jurisdictional reasons the department is not prepared to consider it.

Moreover, the hon. member should recognize that for several years, and more so this year, the Minister of Justice has been ready to refer for study to the justice and legal affairs committee all matters pertaining to a thorough modernization of each section of the Criminal Code. However, this is a matter which, in my opinion, does not come under the Criminal Code, or federal jurisdiction.

Of course, we would have liked to hear the hon. member give us some more specific examples to back up his contentions. In his bill, he refers more specifically to insurance contracts. Well, this matter comes under both commercial and civil law. This is good. As you know, every province has some insurance legislation and I can assure you that such contracts come under provincial legislation and not under any federal legislation.

In view of all this, Mr. Speaker, I am surprised that the hon. member persists in introducing this kind of bill. Of course he has a right to, but I think that basically these bills simply give hon. members who wish to do so an opportunity to discuss all kinds of subjects, including the one just mentioned by the hon. member, during private members' hour.

Therefore, I am sorry that the subject matter of this bill cannot be refered to the Standing Committee on Justice and Legal Affairs which has now a tremendous backlog of work.

The hon. member is aware that soon the omnibus bill will be sent to the Standing Committee on Justice and Legal Affairs, as well as the bill on the Expropriation Act and the subject matter of some other bills introduced by members of the N.D.P. and the Liberal party. I mean the bill on wire-tapping. However, this committee is already overworked and I cannot see how it will be able to study the hon. member's bill.

I feel sorry not to be able to please the hon. member more and I am going to give someone else a chance as I must.

Mr. Paul-M. Gervais (Sherbrooke): Mr. Speaker, I am glad my turn has come to comment upon this bill, but unfortunately I cannot agree with it altogether.

As has been pointed out, there is some good in the legislation. However, what I realize, first, is that the hon. member who sponsors this bill would like to increase the volume of information. Instead of having clauses in small print as he says, we should have a bigger print, which would result in a more voluminous document and the alleged victim, who would have been deceived by reading that document too quickly, would be in the same position as if he had been deceived owing to the fact that, for instance, the insurance policy was in small print.

Besides, in the province of Quebec, any adult, that is to say anyone over 21, cannot claim injury. Voidance of a burdensome contract is allowed only in the case of persons under 21, provided the persons involved can prove that they have suffered injury.

In the present case, if a person over 21 accepts the conditions of a contract, I fail to see how, in all justice, the proposer of the contract can be accused of false representations or the equivalent of a criminal act.

• (5:20 p.m.)

Bill C-19 says and I quote:

—with intent to mislead—

Under those circumstances, I feel that the act already covers those cases. If a person is

the victime of fraud as a result of pretence, or of a proposal or representations for obtaining credit or money under false pretences, because the wording is doubtful or misleading, one can always have recourse to the criminal code.

We are dealing here with a matter of common law and I consider that the text, as worded, will not protect adequately the person who would later on claim to be the victim of fraud as a result of high pressure salesmanship.

Indeed, this happens every day. Because people read a document or a proposal too rapidly, because they read a document after listening to a salesman, is no reason why they should later claim to have been swindled.

We are dealing here with specific situations where an adult could establish that he had no clue as to what he was doing and that he was conned into signing such a document or proposal.

In the present case, the text is written, the person is an adult and supposed to be able to read in this day and age. Under those circumstances, I do not feel that legislation intended to incriminate a salesman would be adequate to achieve the results intended by the hon. member.

Under the circumstances, Mr. Speaker, I regret that I cannot be in favour of referring this bill to the Committee on justice and legal affairs however fair, on the whole, its purpose may be.

Mr. Jacques-L. Trudel (Bourassa): Mr. Speaker, I too would like to comment on bill C-19 which is now under consideration.

I wish first to congratulate the hon. member for Surrey (Mr. Mather) for wanting to amend the criminal code with regard to the fine print used in the body of insurance policies and the like.

If the bill were passed, it would render "guilty of an indictable offence and liable to a fine or to a term of imprisonment or to both fine and imprisonment everyone who, with intent to mislead, prints or causes to print in small typographical characters in the body of an insurance policy, contract, deed or other document...clauses concerning payment exclusions or exclusion of responsibility."

May I, first of all, suggest to the hon. member that we do not have, in this country, any evidence of people in the insurance field using fine print to escape the responsibilities involved in their various contracts.

There is another point I wish to bring to the attention of the hon. member. What he wishes to have included in the criminal code is already largely provided for under the Insurance Act of 1964.

At a time when discussions are going on at the federal-provincial conference, I think we should remember that the bill under consideration comes for the main part under provincial jurisdiction. Actually, the province is empowered, under the civil code, to grant adequate protection to anyone who might be misled as a result of clauses laid in fine print.

I am not quite sure, therefore, that it would be wise at this moment to include in the criminal code an amendment aimed at restricting or infringing upon provincial responsibilities. I would rather suggest requiring that all clauses be printed in the same type.

Moreover we could require certain important stipulations to be underlined in colour.

Those two solutions, Mr. Speaker, would certainly not minimize the importance of reading or having the person read, before signing the document, all paragraphs included in such contracts.

The fact remains, however, that many persons in good faith do not read all the clauses included in a contract, whether they are in fine or large print, in red or black ink. In fact, people sign without making sure that the clauses are really contentious.

Those suggestions could surely be included in a recommendation to the Minister of Consumer and Corporate Affairs (Mr. Ron Basford). It could contain not only the contracts mentioned in the clause of the bill under consideration, but all contracts with fine print clauses, other than insurance companies' contracts and even the contracts from insurance companies.

I should like to refer especially here to the companies that send canvassing agents in private homes and which in many cases might be liable to a breach of trust on account of their financial unsoundness or even guilty in some cases of a failure to incorporate, by not giving their customers the permanent right to take legal action, precisely because certain clauses relieve those companies from their responsibilities.

Therefore I repeat, Mr. Speaker, that there is in the civil code a provision covering damages in case of fraud. That is why I believe it would be preferable to let provincial authorities keep on protecting the subscribers of those various documents, under existing legislation.

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, when reading the bill moved by the hon. member for Surrey (Mr. Mather), I fully realize the motives which might have led him to present such a measure, but I wonder whether that would really solve the problem.

I do not wish to deal with the legal aspect of Bill C-19. Some of my colleagues have said earlier that it would come under civil law. I do not dispute their opinion. However, I wonder whether, in an attempt to protect an insurance policy-holder or the signer of the contract, with an amendment to the Criminal Code dealing in particular with the fine print clauses, we would really achieve the purpose intended by the sponsor of this bill.

I am a general insurance broker and I do not think that any member could convince me that insurance policy-holders take even the trouble to read the big print in the policies. In fact, when a claim is to be filed, they get in touch with their insurance agent and tell him: "Am I covered?" At that time they trust the person who assumed a certain responsibility by suggesting a contract appropriate to their needs at the time of the purchase of the policy.

More and more, nowadays, we want to protect the citizen. I fully agree with that. We talk about protecting the consumer; a certain warranty is required with regard to products and prices. We also want to protect the potential borrower by making it a requirement for finance companies to indicate the rate of interest in the contract.

This bill deals with the fine print clauses.

• (5:30 p.m.)

Mr. Speaker, on looking over general insurance policies, it is noted that some clauses are in fine print. However, the fine print clauses included in a general insurance policy always deal with statutory conditions similar in all contracts and this I approve of.

I agree with the principle of the bill, but I do not accept the amendment contained in clause 328*a*) of the Criminal Code. In fact, if an amendment is adopted in order to prevent abuse, it implies that such an abuse exists, that it is customary for insurance companies, notaries and lawyers to insert fine print clauses in the wording of contracts with the intent of misleading. They would include such riders in insurance policies by way of explaining that whatever has been said in three pages does not apply in one situation or another. It is inferred that in so doing companies have fraudulous intents.

Mr. Speaker, Canadian insurance companies are operating under federal or provincial charters. They must comply with standards established by governments on the financial level and with regard to responsibility. Besides, such companies are members of associations. In the case of general insurance, they are members of the Canadian Underwriters Association or of the *Conférence des compagnies indépendantes de la province de Québec*. Some companies are not members of these associations, but they are subjected to a most important factor which is competition. At the present time, general insurance policies and especially life insurance policies are governed by this factor which leads to identical clauses that are verbatim in statutory conditions and correspond to one another.

I do agree that the government should pass legislation and that we should take time to protect the citizen. In my opinion, measures like this one are out-of-date, and all the more so since we have other priorities. I do not see what we could get, especially the citizens we want to protect, by referring that small piece of legislation to a committee which has to deal with much more important matters.

I would have been more disposed to support the hon. member for Surrey if he had proposed, in a notice of motion, that the federal government ask the Superintendent of Insurance to inquire into the fixing of insurance rates which are identical and become more and more comparative. That would be good if it came from a competition which would tend to lower the rates of general insurance. I cannot speak of life-insurance, as I am not a specialist. Those rates go on increasing and they are not competitive, as they are always increased by common consent.

I would agree with the hon. member if, at a given time, competition were to force an insurance company to reduce its rates, and that the next year, another would like to get the same clients even if rates were similar.

But that is not exactly what takes place today. Personally, I wonder especially when I look at the increases in automobile insurance rates and the decisions taken by the companies, without consulting their agents, and even worse, without consulting national and provincial associations of underwriters which secure the services of experts and would like insurance companies to consult them more.

Mr. Speaker, I do not want to stray any farther from the subject of the bill, but I wanted nevertheless to raise the matter of insurance rates, because maybe one day, even

as a representative of an insurance company, I shall dare question the method used by insurance companies to set their rates.

Coming back to Bill C-19, I mentioned a moment ago that policy holders do not bother to read the clauses in their policy. As far as I am concerned, I do not believe that the bill before us gives any protection to policy holders precisely because, since they do not read their policies, do not examine them at one time or another, they do not try to find out the content of the clauses in fine or large print. The only thing in which they are interested is to know the amount of protection they are getting.

Being a specialist in general insurance, I do not meet any difficulties whatsoever with fire, public liability or automobile insurance policies. However, the same as anybody else, I am at a loss to find out what kind of a life-insurance policy is covering my family, because we have to consult the tables and it is almost impossible to figure out exactly what would be left to our beneficiaries.

I would suggest to insurance companies—and this is a mere suggestion with no direct relation to the bill—to append a one-page summary of the policy, in order to set forth in plain terms for their clients what is meant exactly by the wording of the contract.

Mr. Speaker, I think I have covered all the aspects I wanted to talk about regarding the proposed legislation, and I try in vain to find a good reason to support the request for reference to the committee. As I find none, I cannot help but oppose it and I hope the house will vote against the hon. member's motion.

[*English*]

Mr. Mather: I wonder if the hon. member would permit a question? Having in mind the fact that all hon. members who have spoken so far have been from the government side and all have expressed in some degree sympathy with the general aim of the bill, I would suggest the subject matter be referred to an appropriate committee. Would he not agree this is a logical step to take? There is still another 20 minutes during which members could speak, but the government benches are getting a little slim in regard to speakers.

Mr. Laniel: Was that question addressed to me? I can speak another five minutes if you wish. I have sympathy with your intention but I disagree with the request to adopt this bill because I do not think it will solve any problem. If a clause were inserted in the bill which would force policyholders in Canada to read their policies, possibly this would make sense. But they do not read their policies.

• (5:40 p.m.)

I know this. Every time there is a fire or a car accident, or even take the case of a man who pushes his wife off the porch, people will phone the insurance agent and ask, "Am I protected or not"? When the reply is, "You are not protected," it is simple to understand the reaction. Usually it is, "You told me I was because you told me I was protected for everything." Then, the insurance agent has to explain that an insurance policy does not give unlimited protection. Does the hon. member want me to explain this with respect to a contract covering a fire insurance policy?

Mr. Mather: On a point of order, Mr. Speaker, I would like the hon. member to answer my question. Since he agrees with the principle of the bill but quarrels with the details, does he not think it appropriate that we refer it to a standing committee? I am sure I am helping out the government side by interjecting these questions.

Mr. Laniel: I will give you an example. You have a fire insurance policy that gives you some supplementary protection in the—

Mr. Mather: You are not answering my question.

Mr. Laniel: No, but I have to give the grounds for my argument. I think I shall give my explanation in French, which might be easier.

[*Translation*]

When one buys a fire insurance policy, in addition to coverage against fire, a certain protection is provided against tornadoes, hail, lightning, explosions, water leaks. The contract shows in an additional clause that this protection against water leaks is restricted. In fact, it only applies to water leaks caused by a defect in the plumbing or heating systems or when they occur at ground level, when the building is occupied. In addition, a policy provides protection, not in the fine print but in the main clause. It deals afterwards with restrictions. As for the automobile insurance policies which include a clause granting an overall protection, when giving explanations to the holder, the company has to state: You are covered in all kinds of circumstances, except these.

Then, it is said that an all-in policy excludes some things that are covered by other clauses of the contract. Besides, in the contract, statutory conditions prevail. Indeed, it is written that impaired driving causes the contract to be cancelled. All kinds of similar clauses are to be found in every contract.

In reply to the question directed to me earlier, I must simply say that fine print clauses are found in every contract, and as insurance policy holders do not even bother to read the first clauses of such contracts they will never read the small ones and they will never try to understand them.

All contracts—whether it be life insurance contracts, fire insurance contracts, responsibility insurance contracts or legal contracts—are drafted by lawyers and this confuses everybody because no ordinary citizen can understand them.

Then why should these clauses be in large print if nobody understands them. They are drafted by lawyers in such complicated terms that the ordinary citizen finds it difficult to know exactly what they mean.

For my part, I consider that the bill before the house achieves no practical end. The standing orders have been changed in order to make our parliamentary institution more effective. Referring such a bill to the committee, having the committee waste time on it—because personally I do not believe the bill is useful to anyone—will not improve the debates in the house nor, above all, make hon. members more efficient.

[*English*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, on several occasions in the past I have found myself in the position in which some members on the government now find themselves, that is, talking a bill to death. I should say now that I do not rise for that purpose and I shall take up only a few minutes time.

As long as I can recall, two of the warnings that people have been given at the time of their initiation into business have been, "Don't take any wooden nickels," and "Be sure you read the fine print." I do not think that any legislation we would pass would change this situation. In other words, people have always known that insurance policies have clauses written into them in very fine print and that if they do not choose to read them they do so at their own risk.

[Mr. Laniel.]

Without quibbling, I do not think that the wording of the hon. member's bill goes far enough. I think that the words "substantially smaller" are not strong enough. Everybody understands that the main clauses of a contract are written in large print, particularly the clauses that look good, and the other clauses are written in substantially smaller print. For that reason, I do not think the wording in the bill goes far enough.

However, Mr. Speaker, the bill might be worth considering in a committee, particularly if one could substitute words prohibiting print so small that it could not be read. There are some contracts written that way and I think the public should be protected from them. To that extent, I agree with the purpose of the bill.

From a practical viewpoint, I do not think that the bill would make one iota of change with respect to protection for the public. But for the purpose of drawing the attention of the public to the fact that they must read the fine print in contracts, and for the purpose of drawing the attention of the public to instances where people have been misled because they did not read the fine print, or could not read it, I suggest that the bill should be referred to a committee. It might be a lesson in public education. Witnesses might be brought forward who could forcefully draw attention to the fact that people must read the fine print in contracts. On balance, I support the hon. member's suggestion that the bill be sent to a committee for study, but only to the limited extent that I think it might have some educational value for the public generally.

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, it is quite apparent that the objective of this bill is meritorious. There is no doubt that honesty, fair disclosure and complete independence of communication from one person to another are some of the goals of a just and fair society. However, section 328A (1) states:

> Everyone who, with intent to mislead, prints or causes to print—

• (5:50 p.m.)

I question the fact that the words "with intent to mislead" are not qualified in any way. It does not say, for instance, that if there is a difference in the size of the print or that if there is a different sized print that this

is prima facie evidence of an intent to mislead. What I am trying to get at is no standard is set up to establish the intent to mislead. Therefore, the Crown would have a virtually impossible task, I submit, in proving the *mens rea*, because the statute itself sets up a supposed *mens rea* or guilty mind. The Crown has the burden of proving not only that the print is in a different size but also has the burden of proving that the person who caused the printing to be done or who did the printing had a guilty mind.

I suggest that under this bill an accused would only have to say he had no intention to mislead and was clearly unaware of any possibility of that result. If he did that, every single case could be dismissed unless the Crown were able to show the accused had an evil intent. I submit it is impossible for anyone to read inside the person's mind if he says he did not intend the act.

Mr. Aiken: Read the fine print.

Mr. Gibson: That is my point. If the section said that having fine print is prima facie evidence of intent to deceive, then there would be an onus on the accused to explain. If this onus were included, the situation would be different.

Under these circumstances, however, I submit the statute leaves hanging in the air the mental element in the crime. Dealing with the topic on a broader basis, I submit this is basically insurance law. It is broad in scope. If the wording is "contract, deed or other document issued by him" it could include anything. It could be a parking ticket, a receipt from a theatre, or anything.

An hon. Member: *Hansard.*

Mr. Gibson: Or even *Hansard.* It is far too all embracing to be embodied in the criminal law of this country. I submit that in the civil aspect fraud and misrepresentation are adequately dealt with as a provincial right under the laws of the provinces. Fraud or intentional misrepresentation is fertile ground for provincial legislation as a basis for civil actions. I believe this bill might well lead to a lot of witch hunting and a good deal of costly and useless litigation could be brought before magistrates who have more important things to do than hear cases of the type referred to in this particular section.

Certainly, the subject matter has merit. I submit the member should recommend it to his provincial legislature so that it might get on with the job. The Ontario legislature has brought in a number of laws in this field. So, in bringing forward the bill I believe the hon. member has meritorious motives and should be commended for thinking along these lines.

Some hon. Members: Hear, hear.

Mr. Gibson: However, there are many ways in which this bill could be circumvented. For instance, if the entire contract were printed in tiny print throughout it might achieve the goal set by one who intends to mislead. In respect of a land deed, we would be dealing with the province. In the province there is a registry office, a land office and legislation dealing with deeds. Therefore, I believe this would be more effectively dealt with by the provinces. In my province of Ontario, the laws in respect of land, deeds and instruments are specialized and are examined frequently. The hon. Mr. McRuer in dealing with the matter of civil liberties I believe reviewed this topic with some distinction. I am not intending to pat my own province of Ontario on the back. I am sure the province of Nova Scotia and all the other provinces have adequately dealt with this matter.

If we should make a universal provision such as this dealing with contracts per se we would run into a good many difficulties from one region to another which we did not anticipate. Problems would arise which had not been foreseen and parliament would regret having made such a move. Therefore, I believe the true intent and spirit in this matter lies within the purview and responsibility of the provincial legislatures.

In dealing with the penalty clause, I submit the penalty is not appropriate. The offence is stated to be an indictable offence. However, the punishment suggested is less than it is in the case of a summary conviction offence as found in section 694 of the Criminal Code.

Mr. Speaker: Order, please. The hon. member's contribution is most interesting. Does the house wish to hear the hon. member beyond six o'clock?

Mr. Laniel: En français.

Mr. Speaker: In view of the fact that there is not unanimous consent, it being six o'clock I now leave the Chair.

At six o'clock the house took recess.

The house resumed at 8 p.m.

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) for the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-150, 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, the Customs Tariff Act and the National Defence Act.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, it is a pleasure for me to have again the opportunity of addressing the hon. members who represent the people of our country in order to deal with Bill C-150, one of the more important than the others, name-view of the fact that it involves judicial reforms of major importance.

Since I feel that the hon. members who spoke before me have dealt adequately with the reforms proposed in this bill, I shall therefore deal at some length in my remarks with four parts of the bill which seem to me more important than the others, namely: the new form which this government wants to give the legislation on lotteries, the reform with regard to the use of firing arms, the breathalizer test and finally abortion. I shall deal mainly with this last subject which I consider most important since it involves a major human right, the right to live.

To begin with, I do not object to the setting up of lotteries, either at the federal, provincial or individual level and I approve the changes and limitations with regard to the ceiling or the limit, as well as the consequential changes with regard to the value of prizes. In fact, I believe that it could become an economical means for gathering funds for the benefit of various organizations, while this means would recognize the freedom of anyone to contribute, which is not the case with compulsory taxes.

However, I should like to recommend to this government a closer control on the issuance of licences in order to avoid any abuse on the part of the holders. I think that the issuance of licences could lead to too much freedom. In fact, if these licences issued by the Attorneys general of the provinces were not subject to close scrutiny these lotteries could become a sort of public robbery organized under false pretences, because the winners could be designated in advance.

Therefore, I think this is makeshift legislation until the government has the courage to shoulder its responsibilities as a legislator and compels the Bank of Canada to grant the necessary credit to the people in order to provide for the requirements of the Canadians.

On the matter of reforms governing the use of firearms and the granting of permits, I think this measure has been awaited for a long time. It is a happy solution that the superior court of criminal jurisdiction has, at the request of the Attorney General, been empowered to issue warrants whereby it is authorized to confiscate any firearm, offensive weapon, explosive or ammunition. Furthermore, the maximum penalty of two years imprisonment for neglectful use of hunting weapons or others, seems important and necessary to me for minimum public security. Finally, I fully approve adding other items to the list of prohibited weapons as well as the restricted authorization of certain weapons in the proposed amendment.

I am in full agreement with the proposed measures and amendments concerning the breathalizer tests. In fact, I believe that all automobile drivers should be compelled to undergo this test on request, or be charged with a legal offence. It has been a long expressed hope that such an offence be considered when the tolerable quantity of alcohol in the blood has been exceeded, considering the number of accidents that have been caused by the excessive use of alcohol.

On the subject of Bill C-150, Mr. Speaker, I think it is necessary for us to ponder our views on the matter of abortion as each one of us must be free to think about it and vote according to his conscience.

May I be allowed to remind the hon. members of the summary of section 237 and the amendment proposed to it—amendment introduced on December 19, 1968—so as to state more clearly the essential parts of the problem for the benefit of the Canadian people for I believe that the Canadian people we represent here should be kept well informed.

According to this bill, a qualified medical practitioner who would procure the miscarriage of a female person and a female person who would permit a qualified medical practitioner, in an accredited hospital, to procure her own miscarriage, would not in the circumstances be affected by the amendment. They would therefore not be guilty of the indictable offences as decreed in section 237 of the Criminal Code. If before the use of those means, the therapeutic abortion committee for that accredited hospital where the abortion has taken place, has by certificate in writing stated that in its opinion the continuation of the pregnancy would or would be likely to endanger the mother's life or health, the medical practitioners will be protected. Such an amendment thus limits the scope of certain offences: Everyone who, with intent to procure the miscarriage of a female person, is guilty of an indictable offence and is liable to imprisonment for life and every female person who, being pregnant, uses any means with intent to procure her own miscarriage is also guilty of an indictable offence and is liable to imprisonment for two years.

Mr. Speaker, I am dead set against any present or future widening of those ideas, because of the high regard our nation should have for such an opinion.

Medical officers in the province of Quebec are standing pat. We should trust serious and conscientious doctors, specialists in that field; their opinion should carry weight, since they have to perform abortions and the problem concerns them more than anybody else. On January 22 last, the Association of medical officers of the hospitals in the province of Quebec sent me the following message:

Recently, following the introduction of the government bill on abortion, this Association consulted all its members either by letter or during meetings held to discuss the bill.

The Quebec hospital doctors believe that any abortion is a homicide, since the foetus is a human being. According to modern medical science, the foetus is a living human being that has the right to live as well as all other human beings.

• (8:10 p.m.)

Even before the courts, the foetus is already considered as a full-fledged human being since he is entitled to inherit and since the State still feels justified in considering the non-therapeutical abortion as a criminal offence liable to life imprisonment.

Any responsible obstetrician will readily admit that the cases where therapeutical abortion would really save the life of the mother have become extremely rare and tend to decrease with the progress of science.

On the other hand, abortion practised for the sake of improving the health or well-being of the mother or preventing the possible birth of a deformed being tends to become a measure of social euthanasia. If a deformed being can be killed while still in his mother's womb why could not this be done when he is out of the womb?

However, abortion practised when the life of the mother is endangered by pregnancy may be considered as a case of self-defence rather than as an act of euthanasia. Legitimate defence does not necessarily mean unfair aggression. To consider the matter in terms of legitimate defence, however, would require, on the one hand, some balance between of act of defence and the act of aggression and, on the other hand, the aggressive act should be the only means of defence. As a matter of fact, according to any doctor, specific medical indications requiring the foetus to be killed in order to save the mother's life are very seldom found. Since the case is so infrequent, one may well wonder if there is anything to justify a law allowing such a thing.

Of all cases of murder, abortion seems to be the one where the state should act with the utmost vigor. Indeed, its duty is to see that the rights of every citizen are respected. Of course, the more the frustrated citizen appears unable to protect his own life and rights, the more the state should be concerned. If the law is really intended to protect the weak, who more than the child in his mother's womb can claim the right to be protected by the state? This protection should be in proportion to his weakness. The similitude with the recent abolition of the death penalty is something that we should have in mind when we think of this bill.

Wherever it is accepted, therapeutic abortion is practised, according to official statistics, much more for very contentious psychiatric reasons—and with equally contentious results—than to save the mother's life.

In fact, the proposed legislation on abortion forces us to ask ourselves whether we are willing to accept certain forms of murder in our society.

Because of the abuses this measure may lead to, the Quebec Hospital Medical Board Association opposes the legalizing of therapeutic abortion in those cases which are solely motivated by the health or the well-being of the mother. In addition, the Association opposes formally the present government bill C-195 on abortion, as proposed, for the following reasons:

Although we feel that the doctors who authorized the few therapeutic abortions which have taken place are certainly not criminals, and the doctors agreed unanimously on this, we believe that the proposed measure will multiply illicit abortions. By legalizing therapeutic abortions in those cases where pregnancy may endanger the life or the health of the mother, the government gives the impression that any personal motivation can procure abortion. Requests for abortions will therefore increase. However, according to medical standards, the therapeutic abortion committees will have to refuse the majority of requests as unjustified, which will lead the patients to find other means to achieve their end. According to the current Canadian concensus, there is real danger in associating what is legal with what is morally acceptable.

Psychiatric indications motivating abortions are refused by the majority of doctors and psychiatrists, although a few psychiatrists find limited

indications in them. An abortion often has bad effects on a woman and induces in her feelings of guilt and hostility. One must wonder whether by alleviating one problem we are not creating another.

After an inquiry, we can claim that the number of therapeutic abortions, in the hospitals of the province, is at this time very low and nil in most cases. Owing to the very restricted number of medical instructions, the enactment of this bill would but increase to a very small extent the number of therapeutic abortions, but only applications for abortion with their dilemma will be more numerous.

The medical abortion committees mentioned in the bill should exist only in hospitals where there is a sufficient number of doctors and consultants in each specialty so that the decision might result from a fair assessment free of any subjectivity.

During our inquiry, we could see that most of the medical boards and boards of directors of the hospitals of the province of Quebec officially and formally objected to the establishment of these medical abortion committees, in their own hospitals. Because of the professional ethics and the constant orientation of their profession, hospital doctors are very reluctant to be on such committees and moreover they will not make any medical abortion of their own.

It is to be noted that this bill does not take into account the religious and moral beliefs of a multitude of hospital doctors who are afraid to be subjected to legal proceedings for not performing what they consider as a murder not in keeping with their professional ethics. Do not doctors unceasingly work to protect their patients against death?

In view of these considerations, the Quebec Hospital Medical Board Association is still of the opinion that the federal government tried to deal with this problem by means of a quick bill which seems to solve everything but which in fact makes more serious the problem of illegal abortion.

The Association is of the opinion that this problem should be considered from a medical point of view and finds it necessary to take up the question of abortion only after scientific studies in depth of the whole question of abortion, sterilization and contraception, before any other proposal is introduced by the government.

In my opinion, only a Royal Commission could study this question adequately.

That is the concern and the anguish expressed by the Quebec medical profession about this bill for legalization of therapeutic abortion.

Mr. Speaker, I also speak on behalf of the Canadian bishops about this amendment brought forward by this government. According to the views expressed by the Canadian bishops, the liberalization of legal abortion, far from decreasing illegal abortions, would only increase their numbers. The Bishops base their contentions on the experience of several countries which have already enacted legislation such as the proposed bill. I quote:

With legislation which depreciates, by the very exemptions it allows, the right to life of the foetus, one would promote the development of loose morals which fail to consider abortion as a real crime.

Moreover, they remind us that the legislator should not underestimate the educational value of the law, because it is an obvious fact that men are prone to consider as morally right that which is permitted by law.

• (8:20 p.m.)

The Catholic bishops appeal to the conscience of all, and especially of doctors, lawyers, politicians and all those who are in public life and mold public opinion, to study that question carefully.

Taking my stand on the serious considerations of the Quebec doctors and the Canadien bishops, I request that be withdrawn from the omnibus bill that part of the bill aiming at amending section 237 of the Criminal Code on therapeutic abortion. The problem of abortion is too big with consequences, in my opinion, to appear with homesexuality, lotteries, driving while intoxicated and a few other minor offences within an omnibus bill which might rouse little opposition in parliament. The bill on abortion should get from parliament the same treatment given major problems like finance, education, etc., and he referred solemnly to a royal commission.

Mr. Speaker, I join with the Canadian bishops to propose a programme to which the state must devote its energies, in order to promote respect for human life at every stage of its development, through education and legislation which itself must reflect that respect, and not by presenting a bill like the one we are discussing, a too simple solution to a very serious and very complex problem.

That programme would include a serious study of the frequency of clandestine abortions and on the means to prevent them. Moreover, it would include also active research and the implementation of a programme of assistance to married or unmarried mothers exposed to difficulties because of our present economic and social system.

I appeal again to your understanding and your sense of values, the most important of which is certainly the protection of human life. During the debates on the abolition of capital punishment, you will remember that Canada had persisted in respecting liberty, having regard to life and death, in order to protect those fundamental human rights.

The two reasons for exemption from the application of the law punishing abortion, namely the risk of death for the mother and the threat to her health, could have in legislation, disastrous consequences, I think, for the whole Canadian nation, if they are given basically the same value or the same importance.

In my opinion, the first motive, the danger of death for the mother, is certainly the most serious and the most justifiable. Therefore, the Canadian episcopate does not make it a moral duty for the catholic citizen and legislator to fight against any extension of the legislation in that sense for the reason that scientific progress in the medical world reduces this practice to extremely rare cases.

But with regard to abortion for reasons of physical and mental health, the Canadian episcopate maintains its strictness and condemns any attempt for its legalization. An abortion committee would have the exclusive right to judge the matter; such a legislation would result in the worse abuses and would greatly jeopardize the common good. In fact, the law would allow two doctors, the number which constitutes the majority within a committee of three members, to authorize abortions for the reasons of their choice.

We would be very credulous to believe that we can pass an act which would enable abortion to come out in the open, without increasing the number of foetal deaths. During a CTV program on December 27 last, the Minister of Justice (Mr. Turner) confirmed our apprehension that abortion committees would make the law themselves.

He asserted that the word "health" would not be interpreted by courts of justice, but by the various therapeutic abortion committees. In other words, the decision of those committees would, in his opinion, override the law.

On February 7, 1968, Doctor Henry Fitzgibbon, of Penticton, in British Columbia, wrote to the health and welfare committee as follows:

> As has been said many times at the hearing of the above-mentioned case, there is no valid medical reason for terminating pregnancy.
>
> The requests for abortion made to doctors are invariably based on social grounds.

One can also find scientific facts in a book entitled: "The Canadian Mother and Her Child", published by the government of Canada. On page 24, it is said:

> When one of the spermatozoa and the ovule meet and unite, a new life begins.

This assertion is supported by Dr. Edward L. Lessel, Director of the Department of Biology at the University of San Francisco. I am quoting:

> Scientific findings prove unequivocally that life begins at the time of conception.

He adds:

> The rapid rate of development . . . shows us human life in its most intense stage of activity.

Therefore, it is clear that it is not only a potential life, as some would like to believe, but a real life which is recognized by the criminal code in section 209 dealing with the death of an unborn child.

To legalize therapeutic abortion on grounds of physical or mental health would alter the moral standards of an entire nation. The lack of public morality in this connection can lead a country to its downfall and its death.

Should Canada become as Poland, where 30,000 Swedish women go each year to get an abortion? A member of a parliamantary committee humourously said once to the delegates of the Canadian Medical Association, and I quote:

> Canada had never seen such a large group of well-meaning criminal abortionists.

Could he truly repeat that tomorrow? I hope not.

The Universal Declaration on Human Rights passed by the General Assembly of the United Nations states that:

> Each human being has an inherent right to life.

And the Declaration on the rights of the child asserts that children are entitled to some protection before and after birth. The legalization of abortion obtained for those various reasons would be as if Canada was repudiating the principles which it approved at the General Assembly.

Personally, I have proven, even if I am young, that I have confidence in life and in Canada, because I have ten children.

We do not believe, my wife and I, that having ten children occasions tremendous work or that it is a heavy task. We have confidence in the present gouvernment; we have confidence in the future and we find it is better to say that we have done something for the nation than that we should have done something.

Mr. Speaker, I think it is necessary to be positive and to do what we preach.

In concluding my remarks, I ask again that that part of the proposed legislation on abortion be taken out of the omnibus bill and

referred to a Royal Commission of investigation. We would then act as responsible citizens faced with a problem big with consequences for the future generations. I base this request on the serious considerations of doctors of the province of Quebec and those of the Canadian bishops. I leave for the consideration of hon. members everything that has been set forth.

• (8:30 p.m.)

[*English*]

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I know what I want to say on this bill. Whether I can say it to the understanding of hon. members or not is another question.

I understand, sir, that according to the new rules we do not debate the principle of the bill on second reading; the question before the house is, rather, whether or not the bill should be referred to the appropriate committee for further study. I have a few remarks to make on Bill C-150 and I hope I can keep them in this context. First, I want it to be remembered that we on this side of the house did try to introduce an amendment to the effect that the committee be instructed to bring in separate reports on several clauses of this bill. I do not recall whether this amendment was defeated or ruled out of order; in any case, it does not matter much.

I would have refrained from making any speech on second reading had that amendment gone through. As matters presently stand, one member, at least, has referred to second reading as "taking the bill on a little trip". Mr. Speaker, this bill will not go on a little trip with the help of my vote. I shall vote against it on second reading, third reading and any subsequent readings. I take this position because I see no reason why portions of this bill should not be considered separately, and members on the other side have produced no arguments to induce me to change that view.

I would remind hon. members that the Minister of Justice (Mr. Turner), when introducing this legislation, virtually disclaimed any responsibility for the measure. Indeed, he was almost apologetic when he presented the bill to the house. He told us specifically that it was the Prime Minister's bill, and I do not doubt he repeated that three or four times—he repeated everything else he said three or four times. So, this bill is not going to take any little trip with the support of my vote, and I take this stand because along with thousands of other Canadians I want to see the measure split up.

[Mr. Beaudoin.]

I would remind hon. members that I do not take up their time by speaking merely for the sake of speaking. I am very careful about that. I speak only on matters I feel strongly about. Included in Bill C-150 are provisions in respect of several matters which touch our consciences. I may not be as able to express what I mean as are some of our legal friends; what I am trying to say is that these questions affect something deep down inside of us. I do not speak as a Catholic, or as a Protestant, or as a Liberal, or as a Tory, or as a lawyer, or as a doctor or anything else. Nothing like that. I speak as an ordinary human being who happens to be a Member of Parliament. We on this side have a free vote on this measure—

Some hon. Members: Hear, hear.

Mr. Peddle: It has been decided that we on this side can vote absolutely freely according to our consciences. But there are 264 representatives of Canada in this house and when a majority of them are not permitted to vote freely on certain matters which affect their consciences, matters which affect convictions held deep in their own being, whether they are Catholics or Protestants, when there is a rule of government which forces them to vote as a block without regard to conscience or anything else, I think that is an insult to the Canadian people and to this parliament which represents them.

We should bear in mind that in a vast country like Canada there are all kinds of people—Catholics, Protestants, Jews and adherents of many other beliefs. For the Prime Minister (Mr. Trudeau) to seek to impose his particular belief upon members of this house when matters of conscience are concerned is, in my view, as I say, an insult to parliament, an insult to Canada, and something we cannot tolerate.

Some hon. Members: Hear, hear.

Mr. Peddle: The hon. member for Winnipeg North Centre (Mr. Knowles) made a very pragmatic speech this afternoon. He did not say anything about abortion. He told us he wanted the provision relating to lotteries removed. How unfeeling can one be, Mr. Speaker? I am not speaking now, either against the motion or in favour of the motion. I am simply saying that if the Prime Minister cannot come to this house recognizing that on these matters each member has the right to vote according to his conscience, there is something gravely amiss.

Refusal to divide this bill is like saying: you can have ice cream only if you eat your spinach. I suggest that 75 per cent of this bill is ice cream and the other 25 per cent is spinach. But we are grown up people, or at least I hope we are. We have been elected to come here and represent the people of Canada and I trust we are sufficiently grown up to be allowed to vote on these matters without compulsion, perhaps according to the way in which we have been brought up in the world. I am not saying my view is not affected by the fact that I am a Catholic. I do not intend to say that. But I do say the house should be allowed to vote on this matter free from the ties of party discipline or anything else.

You will recall, Mr. Speaker, that last year an amendment to abolish capital punishment came up for consideration. At that time the leader of the Liberal party in his wisdom allowed a free vote.

Mr. Woolliams: Yes, but they all voted for it.

Mr. Peddle: I don't care. The fact remains it was a free vote. And in this particular instance we are also dealing with human life, and I suggest the issue should similarly be determined on the basis of a free vote. I said at the outset that I did not intend to become emotional, and I do not. However, I feel that this bill is sufficient reason for any member of the house to become emotional. After all, are we considered to be idiots? The Prime Minister (Mr. Trudeau) does not represent the conscience of the country; it is the 264 members who are elected to this place to represent the country who represent the conscience of this country. It is their vote that should decide. The Prime Minister should not try to impose his personal opinion on the people of Canada, because we in the opposition represent quite a number of the people of Canada.

• (8:40 p.m.)

I would call the attention of the house to the remarks made by the Prime Minister only yesterday at the opening of the constitutional conference. He said that the job of the new Fathers of Confederation was to change and to improve Canada; that over the years they have worked with patience, tolerance and foresight. Canada, said the Prime Minister, is the product of understanding, not conflict.

I should like to ask whether the type of legislation that is now before this parliament is consistent with the views of a man who does not want conflict. Is it consistent with his view that there is a problem of national unity? In my opinion, from what I have seen since coming to this house, although some members of the house preach national unity they are more concerned with spreading the seeds of discord and disunity. Legislation of this sort, introduced at this particular stage of our history, is evidence of this fact. This legislation is not concerned with fostering unity but more with spreading discord and disunity.

I have already identified myself as a Catholic, and I will go further and say this: Speaking personally, and as a Catholic, I say that for the Prime Minister to go to Rome, then return to Canada and suggest we establish diplomatic relations with the Vatican is both mischievous and irresponsible. It is but one other example of this spreading of discord in Canada. I have seen so many examples of this kind since I have been in parliament that, in the words of the hon. member for Prince Albert (Mr. Diefenbaker), I wonder just what kind of government this is that insists upon assaulting the sensibilities of the Canadian people.

It seems to me that this government is involving itself in some weird kind of experiment with the Canadian people, and they are pushing as far as they can to see what happens. I am not seeking headlines. If I were, I would be standing up every day in this house and trying to get them. What I am concerned with is what is happening in this nation and in this parliament. Our Prime Minister and his government preach national unity and a just society. Although I have been here but a short time, I have seen no indication of any real concern for national unity. As I say, what I have seen is more an indication of concern for breaking up national unity. Every sign points in that direction.

I am not one of the Prime Minister's intellectuals, and God help me, I am glad I am not. I do not profess to be an intellectual. My basic conception is one of bread and butter—or if you want, meat and potatoes. I think that solves most of the problems of Canada.

I have listened to hon. members speak on this bill this evening, and one hon. member talked about drinking and driving. While I agree with what he said, in view of all the other matters dealt with in this bill I am surprised he confined his remarks to drinking and driving. Everybody knows that there will be almost 100 per cent agreement in this house on the question of drinking and driv-

ing. That is not a matter of contention. Matters that we feel should be separated in this bill are those of abortion, homosexuality and lotteries.

Let me try and point out how ludicrous this bill is. Apparently it is an offence to commit any act outside Canada which would be an indictable offence if committed in Canada. The bill deals with forged passports, firearms, buggery, bestiality, gross indecency, gambling, horse racing, lotteries, abortion, homosexuality, drunken driving, breathalyzer tests, unlawfully possessing instruments for breaking into a coin operated device, unlawful possession of an automatic master key, theft from a post office, false advertising, harassment by telephone.

Then to round it off, the bill deals with cruelty to animals and provides that any person who is found guilty of cruelty to animals will not be permitted to own another pet for a period of years. That provision is in a bill that deals with the snuffing out of human life at the early stages of conception. This is the essence of irony. The bill also goes on to deal with counterfeit money, attempted rape, attempted murder—

An hon. Member: Athlete's foot.

Mr. Peddle: Everything else except athlete's foot.

As I said, I am not a lawyer, I am not a doctor or a professional man, and perhaps I cannot see the meat of all the clauses. But one thing I can see clearly and which I cannot understand is that this government is obsessed and preoccupied with including in this potpourri, this bag of tricks, matters that affect so deeply the consciences and inner beings of the Canadian people. If the government is hell bent on assaulting our sensibilities, then why does it not say so? That is what worries me, and I do not have the answer yet.

The hon. member for Winnipeg North Centre (Mr. Knowles) spoke this afternoon and I was disappointed to hear him say that we should not speak too often about dividing this bill. He is not here tonight and I hope he will not be offended that I have spoken if he reads my remarks in *Hansard* tomorrow. But having made this comment, the hon. member proceeded to launch himself into a 20 or 30 minute speech about how he felt about this bill. If he felt that time should not be wasted on the aspect I am dealing with, then why in the name of heaven did he go on to waste another 20 minutes of parliament's time—his own words—to make his views known when they could just as well be presented at a later stage? It is ridiculous. I cannot accept that statement, least of all from a man who has been in parliament for 30, 40, 50 or 60 years.

Some hon. Members: Oh, oh.

• (8:50 p.m.)

Mr. Peddle: I referred, Mr. Speaker, to the hon. member for Winnipeg North Centre (Mr. Knowles) as being sharp. I say this because normally when he is speaking I am asleep, but today I happened to listen.

Mr. Knowles (Winnipeg North Centre): Apparently the hon. member didn't listen today, either.

Mr. Peddle: The hon. member has suggested that abortion be removed from the Criminal Code and recognized as a social problem.

An hon. Member: The public voted for it.

Mr. Peddle: The public did not vote for it. This is a contention of the government, Mr. Speaker, that they have a mandate for the changes in this bill. The government knows that Newfoundland has been a bulwark of Liberalism for the past 20 years but only one Liberal was elected in that province in the last election. These Criminal Code amendments were a major factor in the failure of the Liberals to elect more members.

An hon. Member: Go and ask Sullivan.

Mr. Peddle: I admire the courage of the hon. member for Hamilton Mountain (Mr. Sullivan). Hon. members opposite are not all Protestants; they are not all Liberals and they are not all one sex.

An hon. Member: Oh, yes we are!

Mr. Peddle: There are four distinct categories of members in this house. They are cabinet ministers; parliamentary secretaries; those who want to be parliamentary secretaries and those who want to be cabinet ministers. Thank God our party does not have that problem at the moment. Those are commendable political ambitions, Mr. Speaker, but if they are jeopardized by a Prime Minister or government forcing members to vote en bloc on a matter that affects their individual conscience, then I feel that is wrong. This is exactly what will happen on this vote.

When the hon. member for Winnipeg North Centre suggests that abortion be removed from the Criminal Code, does he also suggest

that murder be removed from the Criminal Code? There are many women who would be justified in murdering their husbands and to be fair about it, many husbands would be justified in murdering their wives. Does the hon. member suggest that it is all right for a person to take a shotgun and get rid of a marriage partner?

An hon. Member: Some would like to.

Mr. Peddle: The hon. member for Winnipeg North Centre supports the relatively unimportant portions of this bill. I do not believe in gambling, but I am broadminded enough to agree that gambling should be the subject of a free vote in this house which is more than the hon. member for Winnipeg North Centre has said.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a point of privilege, I am proposing a free and separate vote on—

Mr. Peddle: I do not know what the hon. member is saying. I cannot hear him. If he is seeking information, he need not ask me because I have been here only six months and he has been here 50 years.

Mr. Knowles (Winnipeg North Centre): Not yet, but I hope to be.

Mr. Peddle: The hon. member suggests his righteous party will not approve of gambling. He mentioned participatory democracy. I suggest participatory democracy means that 264 members can have a free vote in this house on an issue which affects their conscience, upbringing and way of life. The hon. member stated that the approval of lotteries would be a retrograde step. He did not say the approval of abortions would be a retrograde step, he claimed that would be a step in tune with modern society. The intellectuals feel this is all right, and therefore it is all right with his party. I condemn it, Mr. Speaker, without a full investigation and I will do so on second and third reading.

Some hon. member mentioned this evening that the government had a mandate. I say the fact is the previous bill died on the order paper. There was little or no mention of it during the last election campaign. It was not an issue.

[*Translation*]

Mr. Deputy Speaker (Mr. Béchard): Order. I know that many hon. members wish to take part in the debate, as I gather from whispers and interventions. I can assure the hon. members that they will have the opportunity to make their contribution later on.

I ask the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) to go on with his statement.

[*English*]

Mr. Peddle: Thank you, Mr. Speaker, for suppressing that attempted intervention. While you have prevented hon. members from pursuing their line of torment you have not deprived me of the right to reply. The people of Newfoundland have always been noted for their perspective and the vote they registered in the last election was an indication they felt something was radically wrong.

I wish to remind hon. members that the Prime Minister (Mr. Trudeau) does not represent the conscience of this country.

Some hon. Members: Hear, hear.

Mr. Peddle: I am speaking as an individual Member of Parliament, Mr. Speaker, and not as a Catholic, Protestant, Tory or Liberal. I am prepared to state my views for the record and let my constituents make their choice in the next election as to whether or not they agree with these views. This is just exactly the way I feel and I say this because I know that in a house such as this, with members from all different parts of Canada and of all different religious groups, they cannot all possibly be of one mind.

• (9:00 p.m.)

Before I conclude I wish to repeat what I said earlier, that regardless of party affiliation or anything else I will vote against this bill in its present form. I will do so not because I agree or disagree with anything in it but simply because I feel the majority of the Canadian public think the bill should be separated into its various parts. For that reason I feel compelled to vote against it, even though I know 95 per cent of this legislation is good.

I welcome this legislation but I feel badly that I am being placed in a position by the government where I cannot vote for it. I honestly feel badly about this. I appeal to hon. members, as the hon. member for Cardigan (Mr. McQuaid) did this afternoon; I appeal to their sense of decency, something which overcomes eveything else, and to their sense of being human beings. I know that a majority of the members feel the bill should be separated into parts. I believe those who feel this way should stand up and say so, regardless of party discipline or anything else.

The people of Canada feel this way. Members here represent the decent people of Canada. I can think of no better way of closing my remarks than to use the concluding remarks of the hon. member for Calgary North (Mr. Woolliams) when he said:

> Of course we must differentiate between the spiritual and the temporal. Therefore, this bill should be separated and divided so that all changes can be fairly decided upon according to the consciences of members of parliament and the people of this nation.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, it is with considerable reluctance that I rise to speak on this question. I am compelled to do so only because of the government's refusal to separate the controversial and conscience binding parts of the bill. There is no doubt that the refusal was deliberate and part of the Prime Minister's (Mr. Trudeau) plan to force members to vote for those aspects of this Bill which are a direct attack on the conscience of members.

In all fairness, sir, I must agree with my colleague and friend, the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) and other hon. members, that this is a disgrace to the Canadian public. It is an insult to the Canadian nation that a bill of this consequence, a bill that affects so much the consciences, the religious and maybe the non-religious beliefs of the Canadian people, should be presented as a package deal.

There are some of us in this house, and I would suggest many thousands of Canadians across this great country of ours, who are against homosexuality on principle, and who regard human life as sacred, even that of a child before it is born. I noted with regret that those who defended that point of view were described by some of the pundits and interpreters of events in this chamber as belonging to another age, as belonging to the era before the floods. There was a time when to argue in favour of these things was to be called a non-conformist. In this age of liberal enlightenment to argue against them is at the risk of being called a non-conformist.

While all of us have our religious or non-religious beliefs, I wish to deal with these particular parts of the bill not exclusively from the point of view of morals but from the aspect of their social consequences. I do this not through moral cowardice or lack of conviction, because I do not think that those who favour these devices will be impressed with the moral argument, but I hope they will at least consider the social consequences.

[Mr. Peddle.]

I start from the position that those things which are harmful to society must be regarded with suspicion and must be placed under certain restrictions. A government which relaxes the regulations and curbs on drugs, that makes divorce easier, that permits abortion and homosexuality, is in the process of remaking our society. The question which we must ask is, in whose image and likeness?

The government by this legislation permits homosexual acts in private between two consenting adults—no more than two. Apparently, for some reason, if there are more than two it becomes illegal. One wonders at the government's strange delicacy. In effect it is confirming by legislation the old saying, with which most of us agreed at some time or another, that three's a crowd. It is nice to know that the members of the government subscribe to that age old theory and that they know where to draw the line.

I think it must be agreed, Mr. Speaker, that homosexuality is basically a psychological aberration. Some persons feel that because a lot of people do something that makes it natural and acceptable. I might remind the house that a lot of people take drugs nowadays—I think the modern term is that they are taking pot—and so it is automatically all right according to that theory. Homosexuality is gaining adherents, and so it cannot be unnatural. That philosophy is of course the traditional symptom of decay. When numbers make something right then we are on the way to something, but it is not Christian democracy.

Let us examine the consequences of this thinking. If homosexuality were practised on a widespread scale society would break down. If it were universally practised, the human race in a matter of time would become extinct. Obviously, therefore, it cannot be said to be conducive to social progress. If one does not believe in social order and progress, then of course one would welcome the destruction or even the suicide of society. But, Mr. Speaker, my constituents in St. John's West did not send me to Ottawa to participate in the undermining of our social order.

Now, Mr. Speaker, what of the homosexual? He commands our sympathy in the same way that any human with some aberration commands our sympathy. But one of the salient features about homosexuality and the real reason for its being anti-social is the compulsion to convert, to induce others into its practice. In those nations where homosexuality has raged unchecked conversion has been a

major characteristic, to the point where generations of those unable to make a free choice have been compelled into unnatural practices.

This, of course, is not what we are legislating. What we are legislating is a kind of well mannered, sedate, controlled Canadian type of vice. Therefore, I am forced to vote against this bill because of the unavoidable conversion feature of this practice and because, while the bill does nothing to promote this aspect of the practice, it does nothing to control it. The bill gives legal recognition to a practice that basically is anti-social. If I voted for the bill, it would mean that I am condoning that which I feel if carried out on an unrestricted basis would destroy the way of life we have painfully built up over the centuries.

• (9:10 p.m.)

Now, I should like to deal briefly with the section dealing with abortion. I say that those who adhere to the sacredness of human life will not require a great deal of convincing on this point. I am sure in recent weeks we have all received a vast amount of material from various church leaders and other groups dealing with the abortion section of this bill.

I was particularly interested in figures I received that were taken from the World Almanac of 1968. These were supplied by the World Health Organization. These figures give the number of suicides per year per 100,000 women. In the age group 25 to 44 in countries where abortion is allowed the figures in respect of suicide are as follows: In Japan 19.7 per cent, in Hungary 13.4 per cent, and in Sweden 13.1 per cent. In the non-abortion countries the suicide figures are these: Belgium, 5.9 per cent, Canada 5.2 per cent and Italy 2.9 per cent. I ask in God's name how any member of this house in all conscience can support this bill and ignore these facts. How can we ignore the fact that countries with permissive abortion laws invariably have a higher rate of suicide for women of child bearing years than non-abortion countries?

About a week or ten days ago a member on the opposite side of the house used the argument that when a girl is raped she should be entitled to have an abortion. In my opinion this is a matter of conscience because the social consequences of applying that philosophy are a matter of public concern. A person who has been raped has suffered a violation of personal rights. But I ask you, sir, and members of this house what are the rights of the unborn child? Are we to assume that the unborn child possesses no rights because it has been conceived in violation. Once life is present, how can it be argued that because of social convenience or possible embarrassment it is right to destroy it. We must ask ourselves, are only duly conceived and wanted children to have a right to live. If someone wants a child, it can live; if it is not wanted, it must be denied the right to live, it must die. What kind of society would we build on principles of that kind?

I think we must act to remove the stigma from unwanted children conceived out of wedlock. But are we to do it by destroying them? If we accept the position that it is all right to destroy a child before birth, why not after birth? Are we to create a panel of doctors that will take on the appearance of executioners? On what grounds can they refuse an abortion; on what grounds can they grant to an unwanted unborn child the right to be born? I would suggest that once you have stipulated a number of conditions whereby a child can be destroyed before birth you can be sure those conditions will be met when it is a question of avoiding embarrassment or convenience.

I know I will be accused in terms of all the cliches of the new enlightenment because those people seem to think some great new learning entered the world with the flood. However, human experiences through the ages have shown us that when barriers are removed upon certain areas of human conduct and anti-social acts, the result is simply the speedy undermining and destruction of the entire social structure. We are watching this happen today before our very eyes and the government by this very legislation is aiding and abetting it.

I am completely at a loss to understand why this government that has preached a just society and equal rights would refuse to allow this bill to come before the house other than as a package deal. I say, not as a member of any religious denomination but as a father of a reasonably large family, that I am completely at a loss to understand why the government would impose this vote upon the members of their party without giving those members an opportunity to vote as their consciences dictate. My God, we are not mounting a machine; this is not a machine in respect of which you can just press a button and wait for results. This is a government that has been elected by the Canadian people. I have been elected by a substantial majority

of the people in my riding to come here to express my thoughts and feelings as I see fit. I am alarmed and disgusted at the action of the Prime Minister and members of his cabinet in not allowing their colleagues on the government side, on the Liberal benches, to exercise that right.

As much as I would like to see our leader become prime minister, as much as I would like to see our party form the government and as much as they deserve to form the government, I am glad I am not part of a government in which I would be forced to vote against my conscience and vote against everything which I have been taught is wrong, unjust and unchristian. I would suggest to you, Mr. Speaker, that if hon. members opposite start wearing beards it is because they do not have the guts to shave in the morning. I thank God that my colleagues and I will be able to shave in the mornings because we have had the right to exercise our prerogatives and vote as our consciences dictate. I make no bones about the fact that I am proud that I will be voting against this bill on second and third reading. I hope members opposite will come to life, realize that they are individuals; that they are Christians; that they are people and realize that to their constituents they have grave responsibility.

• (9:20 p.m.)

I hope that members will vote, not as the so-called leaders of the just society dictate, but as their own consciences dictate. If they do, I am sure they will vote against this bill. As I said before, if they vote on this basis they will be able to sleep at night and shave in the morning with the realization that they have done what they are supposed to do; that is act as men and not as robots.

In closing, I would urge my fellow members opposite to give very serious thought to this matter and not be persuaded or enticed to vote against their consciences because the party whip is on. Rather, they should stand up like men and vote as their consciences dictate. If they do that, I have no doubt or fear that they will vote against this bill.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, during the last few minutes I have been interested in listening to several members from the newest province of Canada, and I should like now to welcome them to this generation and the twentieth century. I really thought that Joey Smallwood was about as backward a man as one could meet and I confirmed this opinion when I was with the woodworkers' association. I found that he was not interested in the people of the other provinces and had not heard of them. He wanted to decide what wages were to be paid and under what working conditions. If he is to the left of some of the representatives we now have from that province, God pity them in that province because of the development which will take place in the next 20 or 30 years.

An hon. Member: Smallwood didn't think much of you either.

Mr. Peters: I am sure he didn't, and I am very fortunate that I was elected to parliament because I would probably have ended up in jail in Newfoundland as a result of being diametrically opposed to everything I heard him say about that particular part of the country. I suggest that even those who have spoken for the dinosaur class would be willing to admit that if another part of the country had a different climate and different development, that climate and development would not necessarily fit in their category. Surely, they can be broad minded enough to allow the rest of the country to develop in a reasonable manner.

The Prime Minister of Canada (Mr. Trudeau), during the drafting of the changes to the Criminal Code introduced by Bill C-185, was able to present to the country the thing he considered would lead to a just society. The expression was first used in a political sense by another millionaire, Governor Rockefeller. It was not used during an election campaign but following the 1966 election when he advised the civil servants and the members of the establishment to develop this expression "the just society". It may be that as a result of wealth, benevolence will flow in various directions. If that was the cause, then I support the reasoning and the effects.

Changes to the Criminal Code are long overdue. Before the Prime Minister, the former Minister of Justice, takes credit for this change he would be well advised to have a look at a number of private members' bills which have been on the order paper since I was elected. I remember when abortion was first mentioned in a private members' bill. The sponsor of that particular bill took it upon himself to accept the abuse that flowed following the introduction of this particularly unpopular subject. I can take some small credit for the introduction of a bill of a similar nature. This involved divorce legislation, and was far ahead of its time.

It was also my good fortune to participate in the deliberations of this house over a number of years when we finally brought divorce legislation into a social atmosphere. This allowed the government to pass a bill which was more progressive than the one I proposed.

Mr. Gibson: Mr. Speaker, I rise on a point of order. I submit that the hon. member has strayed from the subject matter of this bill. Surely, he is not discussing anything of relevance to this bill.

Mr. Peters: Mr. Speaker, I am sorry for new members who have not yet had the opportunity of learning the rules. Given enough time they will sooner or later learn these rules, providing they keep trying. In any event, appreciate the interest of the hon. member.

The point is that individual members of parliament should be given a great deal of credit for introducing legislation which has not been popular and sometimes dangerous. When I presented the bill to which I referred I showed it to members of the press in order to get some comment. This bill proposed amendments to sections 147 and 149 of the Criminal Code having to do with buggery, bestiality and gross indecency. I suggest this was the forerunner of the amendments which later related to the homosexual sections we are now considering.

The provisions of my proposed amendments would have had the effect of not applying sections 147 and 149 to acts committed in a place other than a public place by one person with another person, each being 21 years or more of age or married and who consented to the commission of the act. There was considerable comment about this amendment.

At about the same time I became associated with a number of religious leaders, and because of my experience at that time I am shocked by some of the comments of hon. members who think they know something about religion. This organization in Ottawa was representative of the Catholic church, the United Church, the Anglican church, a number of homosexuals, several doctors and psychiatrists. At that time the organization was known as the Canadian Council of Religion and the Homosexual.

These religious leaders were interested in these people because they were aware of the fact that in Ottawa homosexuals make up more than 10 per cent of the population. They realized they were losing members of their congregation every week, and as religious leaders they were unable to assist these people who were obviously in need of some kind of help. I was only one of many individuals who joined this organization. I did so because I believed that homosexuality was abnormal and that these people required help.

I think I can safely say that I came from an environment in which men were men, and women were glad of it. I might say I spent most of my life reminding them of it.

Some hon. Members: Oh, oh.

Mr. Peters: And we were glad that they were glad of it. We believed that homosexuality was abnormal and that it was something these individuals had no control over, but something in respect of which they could use help. I was joined in this feeling by many people of the religious community who were aware that many people in the community faced this problem.

Many members of parliament have said they could not accept this amendment because their faith would not allow them to do so. I suggest many of them have not considered their faith since they were 13 years of age. I have heard some arguments about divorce, and I asked the late Mr. Favreau how many letters he received after we passed the divorce legislation. Do you know how many adverse letters he received? He received absolutely none. Why? Because the people concerned with theology are up to date in theology. It is not the theology we learned as little boys; it is the theology of today, and as the times change even theology and churches change. If members of parliament go to church once in a while they will find there has been change in this respect and there is no longer a dog-in-the-manger attitude all the time.

• (9:30 p.m.)

This matter of homosexuality affects all members of parliament. We remember an unfortunate case not too long ago that affected one of our members. What happened? I do not know what he did, and I do not even care. He put himself in a position where he was subject to blackmail, the abuse of the courts and the abuse of politicians, and he is no longer with us. I do not know what the background of this case was.

I expected when I joined this organization that we would be able to sit down with psychiatrists, doctors and others familiar with this situation and find there was an easy cure perhaps we could give somebody a shot of hormones and change that person from one

sex to another. I thought this would be a simple proposition. I have found it is not a simple proposition.

I have read that the deciding factor is quite often one which occurs while the child is in the womb; the mother's mental attitude is affected. This may or may not be the case; I am not in a position to argue. In most cases I think these people do not like what they are. It is time society did something to prevent their being blackmailed and being subjected to the other fears they now have. It is time society provided them with the right to live their own life, provided they do not hurt someone else.

While in this organization I also learned that all the homosexuals and lesbians with whom I came in contact were agreed that they were opposed to those who corrupted the young. They are not interested in the business of prostitution and disliked it as much as you and I when it concerned the young. They are not interested in spreading their affliction, if you can call it that. They are interested in making it possible for them to live as near a normal life as possible. I think society has an obligation to allow them to do that.

We have heard that in Ottawa there are some departments in which this practice has had an effect on those who did not belong to a particular cult. The story is that you did not get a promotion in that case. I have also heard these people say that they have all the smart people in the world, all the rich people in the world, and one day they will be in control. I do not expect this will happen, but I do not think we should build a society that hounds a person for something that he cannot control. Surely any member who is broad minded at all will agree that the most society should demand from an individual is that he should conform to the rules of society or should not hurt society by his non-conformity. If what he does hurts anybody else, that is, if the other person does not consent, then there should be a provision covering that in the law.

In the bill that I presented I included the provision that one should be 21 years of age or more before he or she would fall under the provisions of the Criminal Code in this respect. Most people when talking about this matter consider that you really have to go back to the Bible to understand the problem. You read in Revelations the things you are not supposed to do, the women you are not supposed to marry and the relationships you are not supposed to have. You look in our Criminal Code and see that almost all the ecclesiastical prohibitions are included in our law. I have not read them for some time. Some of them may have had reason behind them, and some not. But it seems to me that this provision with regard to homosexuals should also include married persons under the age of 21.

Hon. members may not have studied the subject and be aware that many of the things commonly done heterosexually between married people are not within the ambit of the Criminal Code at the present time. If these things are done in the back seat of a car, they can constitute an offence whether or not the person is married or whether he or she is under the age of 21.

Mr. Woolliams: The back seat of a car is a public place.

Mr. Peters: It may be considered to be a private place, but I suggest an amendment should be included to cover married couples if one is under 21 years of age. Many sections of the Criminal Code are very worth while. I have had a great many complaints from my constituents, and I am more interested in those complaints than in the form letters received from constituents of other members.

I now refer to the gun legislation. It is interesting, when considering the gun legislation, to remind ourselves that some of its implications are the result of our exposure to United States propaganda. United States leaders have been assassinated in recent years and on these occasions there has always been a hue and cry in that country to take away guns from the American public. On the other hand, the Americans have always said they have the right to bear arms. We, in Canada, believe we have the right to bear arms. The Americans believe they have this right. Their thinking in this respect stems in part from their frontier days, and some from the movies about frontier days rather than present day circumstances. It is interesting to compare two questionnaires put out, one in my riding and another in a southern Ontario riding represented by one of my colleagues. The questionnaire in my area referred to the restriction on rifles, shotguns, the use of revolvers and revolver clubs. My constituents were opposed to almost any restriction; yet in the constituency of my colleague from southern Ontario the people said all these things should be restricted.

This points up the very important idea as to whether there should be different legislation in different areas. In my area of northern Ontario, if you want to go hunting on Sunday you can do so. The law in northern Ontario does not say you can go hunting on Sunday, but in practice a fine is not levied for hunting on this day. This has always been the case. In northern Ontario you can apply to the provincial authority for a permit to carry a sidearm. You have to carry it publicly. You were given a letter, not a permit, saying you could carry it. This letter was given by the Department of Lands and Forests. In other areas, this right is not granted, and to this extent there is a difference between various areas of the country.

If you carry a gun in Toronto, it is thought that you have the gun because you perhaps want to shoot your neighbour. The only reason you can carry a gun in Toronto is for the purposes of defence. But in northern Ontario you can carry a gun to go hunting; and there are rifle practices, turkey shoots and all the other things connected with the sporting use of guns. The motivation of people is important in this respect.

I am pleased to note that in an editorial even the revolver clubs are pointing out that the government has paid some attention to this difference and has modified the legislation to the point that they think it is not bad legislation. They have pointed out to me, and I think they are right, that the registered revolvers in the country are not the guns used for criminal purposes.

• (9:40 p.m.)

A gun in my area which is worth $85 when registered, in Montreal is worth $200 if it is unregistered. They do not want registered guns. They may steal a registered gun and if it is used once it has to be discarded because it can be traced. I am told that the underworld seldom uses a gun that is registered, even those that are stolen in hold-ups. So, the laws we now have do not appear to have failed. For this reason, I think we should not pass legislation that is more restrictive than is necessary. I would also like to point that it is necessary to provide regulations concerning new guns and new types of weapons, but I would strongly urge that discretion be used and some restraint be applied in doing this. We do not subscribe to the belief held in some other places that guns should be used for the defence of citizens rather than for the purpose for which they are often used now, that is for sport.

The other matter which I should like to deal with is the matter of abortion. I am surprised at these people who say they are religious, who have some church background and who speak about the taking of life in the act of abortion. I wonder how many of them have been to a church service for a foetus. So far as I know, no church will bury a foetus that is under seven months of development. Such a foetus is not considered to be living, it is burnt in an incinerator. It does not have to be buried, and a death certificate does not have to be issued for it, unless it is in the province of Newfoundland. I am sure there are certain things that members do not know concerning this business. One of them is that according to the legal profession half a million abortions a year are performed in Canada which has a population of 20 million. Half of these 20 million people must be under child bearing age, which brings it down to 10 million. I presume that only women have children, so this brings it down to five million. This is a pretty significant proportion.

Mr. Woolliams: Who is going to take care of the babies? Can you answer that?

Mr. Peters: I do not know who is going to take care of them but someone mentioned shotguns being used to blow the husbands' heads off. Some of these women who are having abortions may find that some members of parliament are so violently opposed to it that there may be a few husbands' heads blown off. This raises an interesting situation. So far as I am concerned, there are three stages in this proposition. To my knowledge, doctors consider that an abortion is performed only up to the third month of pregnancy. After the end of the third month of pregnancy they are called miscarriages and following the seventh month it is a birth, either a still birth or a live birth. This involves a simple D and C operation. It can be done in any doctor's office without anaesthetic in a matter of four or five minutes.

Several years ago on a radio program for the C.B.C. I interviewed a doctor who performed abortions. He told me he did a large number of abortions in Montreal, and indicated that in the 100 that he did a week he had only one or two problems over a period of several years. He also told me something else that was very interesting. When I asked him why he had not been caught, he said that at that time he charged around $500 for an abortion but it depended on how much money the person seemed to have. He also told me that

25 per cent of his cases were sent to him by the welfare agencies in Montreal without charge. This was the price for protection in Montreal. This man, who had been trained in another country, believed that there was nothing wrong with performing abortions. In most cases he fitted the person with a pessary and told her not to come back. He was not interested in seeing her again. He believed he was doing a job for the young people. If we are not going to provide birth control pills in our high schools and in some of our public schools to all female students then we had better consider—

The Acting Speaker (Mr. Béchard): Order, please. We will suspend the sitting until the lights come back.

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I wonder if it would meet the wishes of the house to call it ten o'clock?

The Acting Speaker (Mr. Béchard): Order, please. Since it is approximately ten o'clock and due to the circumstances, the house is adjourned until tomorrow at 2 p.m.

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

HOUSE OF COMMONS

Wednesday, February 12, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this House that the Senate has agreed to the amendment made by the House of Commons to Bill S-4, an act respecting the marking of articles containing precious metals, without any amendment.

[*Translation*]

COMMITTEES OF THE HOUSE

Seventh report of standing committee on Finance, Trade and Economic Affairs—Mr. Gaston Clermont.

[*English*]

Fourth report of Standing Committee on Agriculture—Mr. Beer.

[*Editor's Note: For Reports of Committees above referred to, see Votes and Proceedings*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

QUEBEC BRIDGE CONSTRUCTION

Question No. 816—**Mr. Caouette:**

1. On what date did construction of the Quebec Bridge begin?
2. What was the original cost of this bridge?
3. What amount of interest has been paid to date?
4. What balance remains to be paid?

Hon. Paul Hellyer (Minister of Transport):

1. Construction of the first bridge began in the late 1800's. In 1907 a part of the bridge under construction collapsed. Subsequently, on April 9, 1910, a contract was awarded by the Federal Government for construction of the substructure of a new bridge. Erection of the superstructure began in 1913 and proceeded until a further mishap on September 11, 1916. Work was then immediately commenced on a new span and the bridge was opened for regular rail traffic on December 3, 1917. Construction of the bridge was finally completed and accepted by the government on August 21, 1918.

2. Total investment carried in accounts of Canadian Government Railways as shown in Public Accounts of Canada: $21,706,664.49.

3. and 4. Nil.

DEPARTMENT OF JUSTICE PRESS RELEASES

Question No. 854—**Mr. Howard (Skeena):**

1. Does the Department of Justice issue documents which are of the nature of press releases, press communiques, news releases or the like and, if so, how many such documents have been issued since July 1, 1968?
2. What has been the cost of (a) printing headings or cover sheets (b) typing the stencils (c) mimeographing or other form of duplicating (d) collating and stapling (e) addressing and mailing the said documents?
3. With respect to the paper used for the said documents, what is (a) its quality (b) the quantity used and the cost thereof?
4. What is the estimate of the number of man-hours consumed in the preparation, production and distribution of such documents?

Hon. John N. Turner (Minister of Justice):

1. Yes, eleven.

2. (a) Approximately $60; (b) Typing is done by Minister's staff, no additional discernible cost; (c) Mimeographing, approximately $45; (d) None; (e) $108, being the cost of envelopes.

3. (a) No. 7 Sulphite White Bond 16 lb; (b) 20,000 sheets at a cost of approximately $49.

4. Approximately eight hours.

THOMAS GLENN JOLLEY—STATUS ON ADMISSION

Question No. 909—**Mr. Lambert (Edmonton West):**

1. Was Thomas Glenn Jolley, aged 24, a citizen of the United States of America admitted into Canada during the year 1967, under what circumstances and what status was he given?

Questions

2. Were the Canadian immigration authorities advised that Jolley voluntarily surrendered his U.S. citizenship in May 1967 while living in Toronto and, if so, was his status in Canada thereby changed?

3. Did Thomas Glenn Jolley subsequently leave Canada to return to his native United States of America, and, if so, on what date?

4. Have the Canadian immigration authorities been advised that Jolley has been ordered by the U.S. immigration service to leave the United States voluntarily within 90 days or be deported, and do they consider that Jolley is readmissible to Canada?

5. Has the government formulated any policy of accepting U.S. draft dodgers who renounce their U.S. citizenship while living in Canada and granting them certificates of identity or a special status of landed immigrant while they remain in Canada?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. Thomas Glenn Jolley was admitted to Canada as a landed immigrant on May 3, 1967.

2. The Department of Manpower and Immigration has not received notification of Mr. Jolley's renunciation of United States citizenship.

3. Since no exit controls are maintained by Canada, no information is available concerning Mr. Jolley's departure from this country.

4. No request has been received from the United States authorities to allow Mr. Jolley's return to Canada. Until such time as a request might be received and all of the circumstances known, it is not possible to determine whether Mr. Jolley would be readmissible to Canada.

5. The Canadian Immigration Act and Regulations contain no reference to an individual's military draft status and consequently this is not a factor in determining admissibility to Canada. The Secretary of State for External Affairs has informed me that the policy of his Department with regard to the issuance of Canadian Certificates of Identity to persons in this position is at present under review.

EDUCATION SUPPORT BRANCH

Question No. 919—**Mr. Knowles (Winnipeg North Centre):**

1. Is there an Education Support Branch in the Department of the Secretary of State?

2. If so (a) when was it created (b) how many positions does it entail, and (c) who are the persons occupying these positions?

3. What are the aims and purposes of this Branch?

4. What steps have been taken to implement these aims and purposes?

5. Is a report of the work of this Branch available?

[Mr. Lambert (Edmonton West).]

Hon. Gérard Pelletier (Secretary of State): 1. Yes.

2. (a) The branch was formed following the publication, in 1965, of the report of the Commission on the Financing of Higher Education in Canada, sponsored by the Association of Universities and Colleges of Canada, which recommended "that the federal government assign responsibility for the coordination of assistance to universities from all its agencies to a Minister of the Crown".

Two officials of the Secretary of State department were appointed in early 1966 to assist in this responsibility. Following a competition for a "Coordinator of Federal Activities in Higher Education", Mr. Robin Ross, of the University of Toronto, received a one-year appointment in September, 1966. Further recruitment of staff followed.

(b) 14 positions for the fiscal year 1968-69; (c) R. D. Mitchener, E. G. Finley, Z. Kay, G. Gagnon, E. A. L. Fisher, G. Strain, B. Marsh, E. A. Chitty, M. L. Thibert, C. M. T. Lacroix.

3. The initial broad objective of the branch was to assist in co-ordination of federal policies of education support and research support to universities and other relevant educational institutions and agencies in Canada. In this connection, the branch is presently concerned with: (i) administering Part II of the Federal-Provincial Fiscal Arrangements Act, 1967, and its regulations, relating to assistance to the provinces in meeting rising costs of post-secondary education; (ii) establishing liaison machinery with other interested federal departments and agencies; (iii) developing a research facility and an information repository relating to Canadian education; and to the activities of the federal government in financial and other forms of federal support of Canadian education, to the extent that such activities affect the general federal budget; and (iv) making direct grants to individuals and agencies in the interests of the general development of Canadian education.

4. With reference to points (i) to (iv) in 3 above: (i) liaison work with provincial education departments and agencies, post-secondary education institutions and associations; (ii) chairing, or representing the department at, committee and other meetings relating to education and research support; (iii) in addition to answering numerous requests for information, undertaking publication of results of a

survey of 1966-67 and 1967-68 on federal expenditures for research and education (Report No. 1, on "Federal Expenditures on Research in the Academic Community", should be distributed in February; a second report on federal expenditures, on post-secondary education for these two fiscal years, is in the final stage of preparation). (iv) the main grants to date have been for a study on accessibility to higher education sponsored by the Association of Universities and Colleges of Canada; and a study of university costs jointly sponsored by the Association of Universities and Colleges of Canada, the Canadian Association of University Business Officers, and the Canadian Association of University Business Officers, and the Canadian Association of University Teachers.

5. The branch as such is not expected to publish reports.

TOUR OF SOUTH AND CENTRAL AMERICA

Question No. 929—**Mr. Muir (Cape Breton-The Sydneys):**

1. What was the primary object of the Canadian Government group, that included members of the federal Cabinet, in making an extensive tour of various South and Central American countries recently?

2. How many persons comprised the official Canadian party and, of these, how many were elected government officials, departmental officials, others?

3. What was the total cost of the tour and what was the cost under the following headings: transportation, food and accommodation, official entertaining, and other?

4. How long did this tour last and what countries were visited?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The objectives of the Ministerial Mission to Latin America were set forth in the Prime Minister's statement in the House on October 24 and in the Secretary of State for External Affairs' Statement to the House on November 29. In his statement, the Prime Minister said, inter alia, "—the experience gained will be invaluable in assisting the government to determine what new avenues may now be opening up for closer relations with Latin American countries—"

2. The Ministerial Mission consisted of 43 persons, not all of whom participated throughout. Six were Members of the House of Commons (five Ministers and one Parliamentary Secretary); 24 were departmental officials; there were 13 others.

3. The cost of the mission was $239,886.04. The breakdown of this amount is as follows:

(a) Transportation		$199,335.80
Chartering of Air Canada DC-8 ..	$175,000.00	
Commercial airline flights ...	13,391.00	
Local transportation in cities visited	10,944.80	
(b) Official entertainment	9,633.75	
(c) Meals and accommodation ..	$19,286.25	
(d) Other:	$11,610.24	

4. The tour lasted from October 27 to November 27 (32 days). The countries visited were Venezuela, Colombia, Peru, Chile, Argentina, Brazil, Mexico, Guatemala and Costa Rica in that order.

C.B.C.—MOVE FROM COLE'S ISLAND TO DOVER

Question No. 1,143—**Mr. Coates:**

1. Why were facilities of the C.B.C. moved from Cole's Island, near Sackville, New Brunswick, to Dover, New Brunswick?

2. Did the transfer of these facilities require the transfer of employees to Moncton, N.B., and, if so, how many?

3. Was rental space required in Moncton, N.B., and if so, from whom was the space rented, what was the square footage of space, what is the annual rental in dollars and for what term will the lease run?

4. What was the cost to the C.B.C. for the transfer of facilities to Dover, N.B., and has the move in question been completed?

5. What facilities remain at Cole's Island, N.B., and is it the intention of the C.B.C. to enlarge the operation that remains at Cole's Island and, if so, in what manner and what will be the estimated cost of this expansion to the C.B.C. and in what manner will this be beneficial to the Corporation?

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: 1. AM transmitting facilities were moved to Upper Dover to improve CBA AM coverage in the Moncton area and to provide space in the Sackville plant for expansion of international shortwave operations.

2. No.

3. Yes. The lessor is La Société L'Assomption, the area is 1,120 sq. ft., and the term of the lease is May 1, 1968 to December 3, 1969. It has not been customary to require the C.B.C. to disclose financial details of individual contractual arrangements.

4. The move has been completed and the 50,000-watt CBA transmitter is now operational at Upper Dover. The project cost was $434,650.

5. The C.B.C.'s international shortwave transmitting facilities will remain at Sackville. In accordance with recommendations of the Fowler Committee, a subsequent Parliamentary Committee and the White Paper on Broadcasting, the C.B.C. is planning to augment these facilities over a period of about three years by five new transmitters and 30 antennas at an estimated cost of $9,720,000. This will improve northern and armed forces shortwave coverage and is an attempt to raise C.B.C.'s international shortwave service to a level comparable with service provided by other nations of Canada's stature.

TRANSFER OF COMMISSIONAIRES FROM NATIONAL MUSEUM

Question No. 1,145—**Mr. MacRae:**

In relation to the members of the Corps of Commissionaires employed by the National Museum who were affected by the order to be transferred issued by the Secretary of State (a) who were the Commissionaires involved (b) what was the respective date of each transfer of each Commissionaire (c) how many years of service in the Corps had each man (d) how many had volunteered for active service in World War I or II, or both (e) where are each of these veterans now employed (f) was bilingualism a requisite for enlistment in wartime for any of these veterans?

Hon. Gérard Pelletier (Secretary of State): I have been advised by the National Museums Corporation as follows: Since the Canadian Corps of Commissionaires is a private organization and not under government jurisdiction, information pertaining to its personnel and their postings is not available from Corporation records.

CANADIAN ARMS SALES

Question No. 1,152—**Mr. Laprise:**

Is the sale of arms by Canadian manufacturers to foreign countries regulated and, if so, since what date and what department controls the sale of arms to foreign powers?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes.

The export of arms is subject to the provisions of the Export and Import Permits Act. The present act has been in force since 1954.

[Mr. Pelletier.]

Authority to issue permits rests with the Minister of Industry, Trade and Commerce.

[*English*]

FROBISHER BAY COMMUNITY CENTRE

Question No. 1,214—**Mr. MacInnis (Cape Breton-East Richmond):**

1. Were tenders called for the construction of a community centre, including a six storey apartment block, at Frobisher Bay and, if so, on what date were such tenders called?

2. How many tenders were received and what are the names and addresses of the tenderers?

3. Who were the successful tenderers and what was the amount of the contract awarded to each?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. On June 3, 1968 tenders were called to construct various buildings including a community centre and a six storey apartment building to be leased by the Department.

2. Five proposals were received on September 18, 1968; (1) Solar Construction Co. Ltd., Lockerbie Hole (Western) Ltd., Batoni-Humford Ltd.; (2) Ron Engineering Construction Ltd., Ottawa, Ontario; (3) Pitts Quebec Ltée, Montreal, P.Q.; (4) Janin-Tower Co. Ltd., (joint venture) Montreal, P.Q.; (5) A. H. MacLeod & Son Ltd., North Vancouver, B.C.

3. The successful tender was submitted by the Solar Group at an annual rental of $1,220,577 for the apartment building, row housing, and office space.

MALAMUTE HUSKIES

Question No. 1,217—**Mr. Diefenbaker:**

1. What is the estimated number of Malamute Huskies in the Northwest Territories?

2. How does this number compare with the estimate for the year 1959?

3. What steps is the government taking to preserve these wonderful animals from becoming extinct in a few years?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. According to R.C.M.P. figures—checked by number of innoculations—there are 9,500 Malamute Huskies in the Northwest Territories.

2. This number is somewhat smaller than in 1959 as the Northerners are using Skidoos instead of dog teams.

3. Since there appears to be little danger of the Malamute Husky becoming extinct there is no government program to preserve them.

SOREL, QUE., MUNICIPAL AIRPORT

Question No. 1,220—**Mr. Caouette:**

1. Has the Department of Transport been informed of the proposed construction of a regional or municipal airport at Sorel?

2. If so, has the Department of Transport lent its support to the project?

3. Has the Department of Transport decided to allocate funds to facilitate the carrying-out of such a project?

4. If so, what sum has been allocated?

Hon. Paul Hellyer (Minister of Transport): 1. Yes.

2. Yes.

3. Yes.

4. $213,000.

RACE TRACK WAGERING

Question No. 1,239—**Mr. Coates:**

1. What was the total amount of monies wagered at race tracks in Canada for both thoroughbred and harness horses events for the year 1968?

2. What was the total revenue secured by the federal government from this pari-mutuel wagering in 1968?

3. What was the total cost of the federal Treasury for services rendered in providing the various protections to the public that are associated with horse racing in Canada in 1968?

4. Does the federal government provide encouragement to the improvement of breeding in either the field of thoroughbred racing or harness racing and, if so, what type of encouragement is provided and what is the total cost to the federal Treasury, and if not, for what reason?

Hon. H. A. Olson (Minister of Agriculture): 1. The total amount wagered at race tracks under the supervision of the Canada Department of Agriculture for the fiscal year 1967-68 was $369,473,079.

2. The total revenue collected by the federal government from pari-mutuel wagering for the fiscal year 1967-68 was $1,877,091.

3. The total cost of the federal Treasury for services rendered in providing the various protections to the public that are associated with horse racing in Canada during the fiscal year 1967-68 was $1,557,856.

4. Indirect encouragement is provided through the stability and confidence that accrues to the industry because of the supervision of pari-mutuel betting.

QUEBEC NATIONAL PARKS

Question No. 1,258—**Mr. Beaudoin:**

1. How many national parks are located in the Province of Quebec?

2. Where is each located?

3. What is the total area of each?

4. What are the plans for establishing other parks and at what locations in the Province of Quebec?

5. Is the federal constituency of Richmond involved in such plans for national parks and, if so, how is it involved?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. None.

2. N/A.

3. N/A.

4. The department is currently negotiating with the Province of Quebec with a view to establishing a National Park on the Forillon Peninsula near Gaspé.

5. No.

STORAGE CHARGES ON WHEAT CARRY-OVER

Question No. 1,285—**Mr. Douglas:**

For the crop year 1967-68, what was the cost to the federal government of paying storage charges on the above-normal carry-over of wheat?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): In so far as the Department of Trade and Commerce is concerned: The payment of carrying costs for the temporary wheat reserves for the crop year 1967-68 was $37,004,162.71.

INTERPROVINCIAL TRUCKING SAFETY—JACKNIFING

Question No. 1,302—**Mr. Mather:**

What safety standards are being enforced interprovincially concerning combination vehicles consisting of truck tractors or trucks coupled with trailers, particularly re-improving the control of such vehicles and especially to reduce "jacknifing" as a cause of crashes?

Hon. Paul Hellyer (Minister of Transport): The highway traffic acts of each province provide safety regulations for trucks and tractor-trailer combinations including braking requirements designed to reduce the possibility of "jacknifing". At present these regulations are enforced by the provinces on vehicles operating interprovincially.

Orders for Returns

INTERPROVINCIAL TRUCKING SAFETY—BRAKING

Question No. 1,306—**Mr. Mather:**

What action is being taken at the federal level to ensure safety in performance of interprovincially operated trucks and buses, such as braking performance of commercial vehicles, brake tubing and hose connections, coupling devices and towing methods?

Hon. Paul Hellyer (Minister of Transport): Following discussions with the provinces the federal government is presently considering legislation for the enforcement of safety standards for new motor vehicles, including trucks, and parts manufactured in, or imported into Canada.

The provinces are enforcing safety regulations on trucks and buses operating intra-provincially and extra-provincially. These regulations include safety requirements for braking systems.

HEIGHT OF REAR BUMPERS

Question No. 1,324—**Mr. Noble:**

Would the government take the necessary action to require all trucks to be equipped with rear bumpers, low enough to prevent cars from going underneath them in a rear-end collision?

Hon. Paul Hellyer (Minister of Transport): The federal government is now considering legislation to enforce safety standards for motor vehicles, including trucks, and parts manufactured in, or imported into Canada. A standard for rear bumper under-ride guards for trucks is now being developed by the United States Department of Transportation. A similar standard would likely be included in safety regulations adopted under the proposed federal legislation for new motor vehicles.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT EXPENDITURE ON ELECTION

Question No. 983—**Mr. Fortin:**

1. In the General Election of June 25, 1968, what was in each Electoral District, government expenditure for (a) printing (b) polling stations (c) enumeration (d) returning officers' salaries and expenses (e) miscellaneous items and, what was the overall total?

2. What was the total of government expenditure for Armed Forces ballotting?

3. What was the government expenditure incurred by the Office of the Chief Electoral Officer with regard to (a) election materials (b) telegrams (c) shipping charges (d) telephones (e) postal charges (f) miscellaneous items, and what was the overall total?

4. What was the total of government expenditure incurred during this election?

5. What was the total of those eligible to vote?

6. What was the total of votes cast?

7. When does the government intend to carry out the recommendations of the Barbeau Report on election expenses?

Return tabled.

CMHC LOANS ON SINGLE FAMILY DWELLINGS

Question No. 1,082—**Mr. Robinson:**

1. How many CMHC loans have been made for single family dwelling home owners during the years 1960-68 inclusive?

2. What is the average amount of each of the loans?

3. What was the interest rate on CMHC loans for home owners during each of the years 1960-68 inclusive?

4. How many loans were made by CMHC for purposes other than single family dwellings, for what purpose were the loans made, what was the amount of each of the loans and in what municipality was each of the loans made during each of the years 1960-68 inclusive?

Return tabled.

CMHC LOANS IN VARIOUS CATEGORIES

Question No. 1,083—**Mr. Robinson:**

1. How many CMHC loans were utilized for (a) hospital construction (b) homes for the aged (c) educational institutions (d) special institutions (e) universities (f) students housing (g) co-ops (h) other purposes and what was the amount of each of the loans during each of the years 1960-68 inclusive?

2. How many applications does CMHC have for loans at the present time for (a) hospital construction (b) homes for the aged (c) educational institutions (d) special institutions (e) universities (f) students housing (g) co-ops (h) other purposes, and does CMHC contemplate accepting all applications submitted and, if not, for what reason and, if so, when and where are each of the projects to be built and what is the amount of each loan requested?

Return tabled.

CRIMINAL CODE—NUMBER OF PROSECUTIONS UNDER SECTIONS 147 AND 149

Question No. 1,317—**Mr. Fairweather:**

How many prosecutions have taken place for infractions of Sections 147 and 149 of the Criminal Code for each of the past ten years?

Return tabled.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before you leave the item of questions on the order paper may I say that my leader, the hon. member for York South (Mr. Lewis), who is at the federal-provincial conference, has asked me to inquire when he might have an answer to his question No. 1,008 of December 10, which has been on the order paper for over two months.

I might ask at the same time about my own question, No. 851, which has been on the order paper since November 22.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I will make inquiries to ascertain the status of these questions.

Mr. Speaker: I gather that the remaining questions stand.

Some hon. Members: Agreed.

MOTIONS FOR PAPERS

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, notice of motion No. 38 for production of papers is acceptable to the government, subject to the usual reservations concerning privileged papers and authorization of the government authorities concerned.

[*English*]

REPORT ON PEMBINA RIVER DEVELOPMENT

Motion No. 38—**Mr. Muir (Lisgar):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the federal government and Government of the United States, and the federal government and the Government of the Province of Manitoba, in connection with the report and recommendations of the International Joint Commission on the Pembina River Project of Manitoba and North Dakota.

Mr. Speaker: Subject to the reservations and conditions expressed by the hon. parliamentary secretary, is it the pleasure of the house that notice of motion No. 38 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Forest: Mr. Speaker, would you kindly call notices of motions Nos. 57, 58, 59 and 60?

[*English*]

MANPOWER STUDY BY BELANGER, OUELLETTE CO., MONTREAL

Motion No. 57—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study done for the Department of Manpower and Immigration by Belanger, Ouellette and Associates Inc., Montreal, Quebec.

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, with regard to the member's notice of motion requesting the tabling of the said report, I must inform the house that this report contains matters confidential to the department, therefore I regret that it cannot be tabled, and under the circumstances I would ask the hon. member whether he will consent to withdrawing the motion.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the government of Canada has spent hundreds of thousands of dollars to obtain reports and—

Mr. Speaker: Order, please. Is the hon. member asking that the motion be transferred for debate?

Mr. Orlikow: Yes, Mr. Speaker, and I am trying to explain why.

Mr. Speaker: The motion is transferred for debate.

MANPOWER STUDY BY OPERATIONS RESEARCH CORP.

Motion No. 58—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study done for the Department of Manpower and Immigration by Operations Research Incorporated, Maryland, U.S.A.

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, for the same reason as applied to the previous notice of motion, I would ask the hon. member whether he is willing to withdraw this motion.

Mr. David Orlikow (Winnipeg North): For the same reason, Mr. Speaker, I should like to have this transferred for debate.

Mr. Speaker: For the same reason, the motion is transferred for debate, pursuant to standing order 48.

MANPOWER STUDY BY KATES, PEAT CO.

Motion No. 59—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study done for the Department of Manpower and Immigration by Kates, Peat, Marwick and Company, Toronto, Ontario.

Inquiries of the Ministry

Mr. Gérard Loiselle (Parliamentary Secretary to the Minister of Manpower and Immigration): Again for the same reason, Mr. Speaker.

Mr. Speaker: Transferred for debate, pursuant to standing order 48.

MANPOWER STUDY BY OPERATIONS RESEARCH, OTTAWA

Motion No. 60—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study done for the Department of Manpower and Immigration by Operations Research Industries, Ottawa, Ontario.

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Once more, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Ditto.

Mr. Speaker: Transferred for debate.

[*Translation*]

Mr. Forest: I ask, Mr. Speaker, that the remaining notices of motions be allowed to stand.

[*English*]

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

RECOGNITION BY CANADA OF SOVEREIGNTY BY MAINLAND CHINA OVER NATIONALIST CHINA

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in connection with the discussions between Ottawa and Peking as projected is it a basis of any exchange of ambassadors, that the Government of Canada recognize the claim that Peking has sovereignty over Taiwan?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am sure this question will arise during the discussions, but I do not think any useful purpose would be served by commenting on it at the present time.

Mr. Baldwin: Perhaps I could approach this from another direction. Will the minister say that in respect of any such exchange of ambassadors the government will refuse to recognize the claim of Peking to sovereignty over Taiwan and the people thereof?

[Mr. Orlikow.]

Mr. Sharp: Mr. Speaker, I doubt very much that the Canadian government would recognize or challenge the sovereignty of Peking over Formosa. This is a matter of dispute. When we recognize other countries, we do not necessarily recognize all their territorial claims or challenge them.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the minister about the undertaking given in March of 1968 by the present Prime Minister, and also his undertaking during the election campaign, that refusal by communist China to permit the continuance of diplomatic relations between Canada and Taiwan would be the end of the proposal to recognize communist China?

Mr. Sharp: Mr. Speaker, the government's policy with respect to the recognition of China has been expressed by the Prime Minister and myself in recent days. That is our policy, and if it varies in any respect from what has been said previously, it varies. But the position at the present time is as I have expressed it.

Mr. Diefenbaker: One other question, Mr. Speaker. Does the minister state that a solemn undertaking given by ministers is to be broken in this flagrant manner?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to ask a supplementary question.

May I ask the Secretary of State for External Affairs whether he can assure the house that the negotiations aimed at establishing diplomatic relations with communist China will not have any adverse effects on our relations with mainland China.

[*English*]

Mr. Sharp: Mr. Speaker, as I have said on a number of occasions, I do not think it would be possible to recognize two governments of China. Therefore, if we do recognize Peking, of course it will affect our relations with the Nationalist government, which claims jurisdiction over the same area.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a supplementary question.

Has the minister received from the government of the United States or of other allied countries representations running counter to

the position taken by the Canadian government concerning the recognition of communist China?

[*English*]

Mr. Sharp: Mr. Speaker, we have received from a number of countries comments both favourable and unfavourable to the action that we are proposing to take.

[*Translation*]

Mr. Asselin: Mr. Speaker, I wish to ask a supplementary question.

Could the minister say he has received notes against the idea from the American government?

[*English*]

Mr. Sharp: Mr. Speaker, the nature of the representations from the United States was revealed in a public statement which they have issued.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my supplementary question is to the Secretary of State for External Affairs. It relates specifically to the governments of Japan, Australia and Thailand. Has the Canadian government been in consultation with the governments of those or any other countries of southeast Asia?

Mr. Sharp: Yes, Mr. Speaker. As I have said to the house on a number of occasions, we were very careful to have prior consultations with all friendly countries, including those mentioned by the hon. gentleman, before I made my announcement last Monday.

DRUGS

LEGISLATION TO PROVIDE REPAYMENT OF OVERCHARGES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Acting Prime Minister. It relates to a question I put to the Prime Minister last Friday concerning substantial payments that drug companies in the United States are making back to people that they overcharged, and whether or not Canada would be doing something like this. The Prime Minister said on Friday that he would take the question as notice. I have been waiting each day since for some other minister, perhaps the Minister of Consumer and Corporate Affairs, to deal with it. Has an answer been prepared; and if so, does any minister have it?

Hon. Paul Hellyer (Minister of Transport): I really could not say, Mr. Speaker, because this particular matter has not been brought to my attention. But I would be glad to pass my hon. friend's representations along to the Prime Minister's office.

[*Translation*]

PRIVILEGE

MR. LAMBERT (BELLECHASSE)—OFFICIAL REPORT—TABLING OF PETITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise on a question of privilege. I do not know if it is in order, but I rely on your knowledge as well as on your kindness to teach me how to behave in this house, according to the Rules.

In the speech I delivered yesterday, I am quoted, at page 5386 of the French *Hansard,* as saying unpleasant things about doctors. It is an error in transcription because instead of "médecins" (doctors), they make me say "méchants" (wicked people). I would not like doctors to think that I call them wicked people. Therefore, I request that the appropriate rectification be made.

Secondly, Mr. Speaker, I had requested that a petition including 5,000 names be attached as an appendix to *Hansard.* I understand that unanimous consent was required but I thought I had it, since nobody raised any objection.

Anyhow, Mr. Speaker, I repeat my request, if it is in order. In any case, I will comply with your ruling.

Mr. Speaker: With regard to the first point raised by the hon. member, it is usual to make corrections to the official report on motions, when the changes are significant.

As far as the second point is concerned, I must say that is it is not the practice of the house to append to the official report private documents as the one mentioned yesterday by the hon. member, and it is evidently for that reason that it has not been possible to agree to his suggestion to the effect that the 5,000 signatures be appended to yesterday's *Hansard.*

Mr. Lambert (Bellechasse): Mr. Speaker, am I permitted to make a remark?

In my opinion, this is not a private document, it is a petition sent to the government.

Mr. Speaker: Order, please. The hon. member may, if he wants, discuss this point of order with the Chair, but the decision was taken after due consideration, I can assure him, and he cannot refer to it again now that it has been made.

Inquiries of the Ministry

[*English*]

NATIONAL DEFENCE

MONTREAL—PROTECTION AGAINST BOMB DAMAGE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question for the Minister of National Defence arising from the answer given yesterday concerning bombings at armouries in Montreal. The minister said that steps had been taken to protect the property of the government of Canada. In view of the second bombing last night which damaged both public and private property, will the minister say whether the government regards the steps taken for the protection of property to be adequate and satisfactory.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I think it has to be noted first of all that the second bombing, like the first one, actually took place outside the building. I think we can say that the most stringent measures we have taken must have had some effect, because the second bomb was discovered by the security guard who went inside to call the police. Unfortunately the bomb exploded before the police arrived. We are co-operating fully with the Montreal police in order to enforce security as much as possible.

[*Translation*]

EDUCATION

INQUIRY INTO VIOLENCE AT SIR GEORGE WILLIAMS UNIVERSITY

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, in the absence of the Minister of Justice, I direct my question to the Solicitor General.

Has the Department of Justice instituted or will it institute an inquiry regarding the violence which erupted yesterday at the Sir George Williams University, and, if so, will the minister make a statement in this regard today or tomorrow?

Mr. Speaker: I doubt if this question comes under the administrative responsibility of the minister, but perhaps I should allow him to answer it.

[*English*]

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I doubt very much whether this is a matter for the federal authority. I would think it is rather for the local enforcement authorities in the area concerned. However, because of the seriousness of the situation I will look into the question further, and have an answer brought forward either by the Minister of Justice or myself.

[*Later:*]

Mr. Robert Muir (Cape Breton-The Sydneys): My question is for the Minister of Transport in the absence of the Prime Minister, and it relates to events at Sir George Williams University. In view of the massive commitment of federal funds, the heavy damage to public property and the dangerous civil disorder, is it the intention of the government to institute with provincial authorities a judicial inquiry into the causes and events leading up to this shocking manifestation?

Hon. Paul Hellyer (Minister of Transport): The Solicitor General has already said he will look into the matter, and I am sure he will report to his colleagues if he feels that any federal action is warranted in the circumstances.

Mr. Muir (Cape Breton-The Sydneys): In view of the growing and concerted movement to disrupt and damage university life, is it the intention of the federal government to continue making a massive federal contribution to secondary education, with no questions asked, or will the government take action to come to grips—

Mr. Speaker: Order, please.

STUDENT LOANS

CURTAILMENT OF GRANTS TO FOREIGN STUDENTS ENGAGED IN DISORDERLY ACTS

Mr. Paul Yewchuk (Athabasca): I have a supplementary question, Mr. Speaker. I wonder whether consultations have been held with other ministers involved, such as the Secretary of State for External Affairs, where this pertains to the participation of foreign students, and the Minister of Finance, from the point of view of limiting loans to students who participate in this sort of activity.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there is already a question outstanding from the hon.

member for Oxford, that I have promised to answer and which has a bearing on the question asked today.

Foreign students who study in Canada under technical assistance programs administered by the Canadian International Development Agency are required to sign undertakings in which they agree, in part, to abide by the rules of the universities or other institutions in which they study, and to refrain from engaging in political activities. It is also made clear that their training awards may be withdrawn at any time, for sufficient cause, as determined by the government of Canada.

If a student who is receiving such an award were to become involved in a breach of the peace, bloodshed or other act of disorder, we would expect to receive an official complaint from his university, or the local law enforcement authorities. Each such complaint would be examined in order to determine the appropriate action to be taken, in light of the particular circumstances of the case.

The Canadian International Development Agency has no record of receiving any such complaint from a university or law enforcement authority.

Mr. A. D. Hales (Wellington): A supplementary question relating not only to foreign students but to all students. Is the Minister of Finance giving consideration to withdrawing or withholding student loans from any student who participates in campus riots?

Hon. E. J. Benson (Minister of Finance): This would be a matter for the provincial authorities who administer the loans. The government of Canada guarantees the loans and pays the interest but the loans are granted by the provincial authorities.

EXPO '67

WRITING OFF OF MONTREAL AND QUEBEC INDEBTEDNESS

Hon. E. J. Benson (Minister of Finance): May I take this opportunity to reply to a question asked yesterday by the hon. member for Wellington with respect to Expo notes? The notes of Expo '67 Corporation which matured on June 30, 1968, are still recorded as liabilities due to guarantors. They will be dealt with as part of the arrangements for the winding up of Expo. These arrangements are not yet finalized, so I am not yet in a position to state what action will be taken.

Inquiries of the Ministry

FINANCE

CANADIAN REPRESENTATION AT BASEL BANKERS MEETING

Hon. E. J. Benson (Minister of Finance): On Monday, Mr. Speaker, the hon. member for Calgary Centre asked a question concerning recycling, and the meeting which was held at Basel last weekend. As I stated, Canada was represented at the meeting of western central bankers held on that occasion. The Governor of the Bank of Canada was present. Canada agreed to a reply to be made by the central bank governors to the chairman of the ministers and governors of the group of ten, Herr Schiller, in connection with paragraph 8 of the communiqué issued by the ministers and governors at Bonn on November 22, 1968.

Hon. D. S. Harkness (Calgary Centre): Does Canada's agreement to this plan involve any commitment or pledge of Canada's foreign exchange?

Mr. Benson: The governors of the central banks were asked to look into the question of recycling. They have made a report to Herr Schiller, who is chairman of the group of ten, it will be considered by the group of ten before action is taken. In the interim there is no liability whatever on Canada's part.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, may I direct a supplementary question to the Minister of Finance?

As Mr. Campbell, who is president of the Sun Life Company, has said that several countries have resorted to creating money to compensate for their lack of funds, does the minister intend to use the Bank of Canada to create money in our country?

Mr. Speaker: In my opinion, this question should be placed on the order paper.

[*English*]

TRANSPORT

DISCRIMINATORY REDUCTIONS IN EXPRESS ASSOCIATION RATES

Mr. John Burton (Regina East): I wish to direct my question to the Minister of Transport, Mr. Speaker. Will the minister undertake to investigate recent rate reductions by the Express Transport Association in western Canada which appear to discriminate against Regina and Saskatoon?

Mr. Speaker: I suggest to the hon. member that his question be placed on the order paper.

Inquiries of the Ministry

DRUGS

REQUIREMENT TO SHOW INGREDIENTS IN MEDICATION

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare, but in his absence I will direct it to his parliamentary secretary. In view of the fact that a St. Catharines boy is dead after inhaling vapour from a medication for colds the ingredients of which are unknown, and in view of the fact that the Proprietary or Patent Medicine Act does not require manufacturers to publish the medical ingredients of such products, will the minister look into the matter of an amendment to the act to require the manufacturers to do so?

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, the food and drug directorate is at the present time investigating this matter. The results of this investigation will undoubtedly enable the minister to give the hon. member a more complete answer.

[*English*]

ESTATE TAX ACT

CONSULTATION WITH PREMIERS BEFORE PROCEEDING FURTHER WITH MEASURE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I was going to ask the Minister of Finance a question, but he ran out when he realized it. I see however that he is now returning. I should like to ask him whether, as a result of the conversations his government has had with the provincial premiers, he can now advise the house if any decision has been made by him or by his government to consult with the provinces before proceeding any further with the estate tax measure?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

Mr. Speaker: The right hon. member for Prince Albert.

Mr. Benson: Mr. Speaker, if I might just complete my answer—

Mr. Speaker: Order. The hon. minister may not do so without leave of the Chair, and the Chair has already recognized the right hon. member for Prince Albert.

[*Later:*]

Mr. Benson: Mr. Speaker, I would simply like to make my answer more complete.

[Mr. Speaker.]

When I answered the question put by the hon. member for Calgary North, I simply said no. What I should have said was no, there were no requests for further consultations from the provincial finance ministers.

Mr. Woolliams: A supplementary question, Mr. Speaker. I do not want to get into an argument over this, but let me ask the minister this. Whether there has been a request, or there has not, would the minister consider approaching the provinces to see if they do consent to his estate tax measure as it affects property and civil rights?

Mr. Benson: Mr. Speaker, the estate tax was introduced before the ministers of finance meeting in December. At that time I indicated that I would be glad to discuss the matter with any finance ministers who were interested. I received representations from one province, which I answered before we proceeded with the bill.

Mr. Woolliams: A further supplementary question. Could the minister tell the house whether he has had a complaint from the province of Alberta, that his department is taxing the refund of estate tax that is made by the province?

Mr. Benson: Mr. Speaker, this is incorrect. I have not had a complaint, but I have heard such rumours. As I say, this is of course incorrect.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a supplementary for the Minister of Finance. It is reported that income tax officials are taxing estate tax refunds as income. Would the minister kindly check on this and let us know formally in the house?

Mr. Speaker: Order, please. The hon. member should direct his question to the Chair. In any event he has made a representation to the minister.

THE BUDGET

REQUEST FOR PRESENTATION IN SPRING

Mr. G. W. Baldwin (Peace River): Mr. Speaker, as a result of the discussions over the last few days, can the minister now indicate whether or not it is any more certain, or likely, that a budget will be presented some time this spring?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have not ruled out the presentation of a budget. There is no date presently in mind as to when a budget will be presented.

IMMIGRATION

APPLICATION FOR ADMISSION BY JEWS IN IRAQ

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether there have been any applications made for admission to Canada by Jews in Iraq and, if so, whether the government is giving sympathetic consideration to granting early admission of these people who in their own interests have to leave their own country?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think that that question might have been more appropriately addressed to the minister of immigration, but in any event tomorrow my colleague the minister of immigration and myself will be meeting with the Canadian Jewish Congress and others to talk about how best we can help. I cannot answer specifically the question asked by the right hon. gentleman, because it would not be information that came across my desk in the ordinary course of events.

JUVENILE DELINQUENTS ACT

REQUEST FOR LEGISLATION DEALING WITH CRIMINAL RECORDS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Solicitor General. In view of the shortage of items on the order paper, is it the intention of the minister to bring forward legislation dealing with amendments to the Juvenile Delinquents Act? If not, when may we expect this legislation?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, there is no change in the date that I gave in my previous answer. It is highly improbable that it will be introduced in this session.

Mr. Gilbert: A supplementary question. In view of the fact that the former solicitor general brought forth legislation that had received cabinet approval with regard to the expunction of criminal records, when can we expect legislation dealing with this matter?

Mr. McIlraith: Mr. Speaker, as I indicated previously, a great deal of attention is being given at the moment to this subject and to preparing legislation, which incidentally involves records that are primarily in the custody of the municipalities and the provinces. The subject is getting very active attention at the moment. I cannot give the precise date, but I would not expect legislation on this subject in this session.

DRUGS

MACE—TESTS TO REVEAL POSSIBLE DANGERS

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Parliamentary Secretary to the Minister of National Health and Welfare. My question is related to the question I asked on February 5 regarding the chemical Mace. At that time the minister said he would take my question under consideration. I was wondering whether that has been done and if the parliamentary secretary is in a position to reply to that question.

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, I regret that I cannot give the hon. member a satisfactory answer, but I will again bring his question to the attention of the minister.

[*English*]

Mr. Saltsman: A supplementary question, Mr. Speaker. I should like to direct it to the Solicitor General and it is in connection with the same subject, the use of the chemical Mace. May I ask the Solicitor General whether consideration is being given to authorizing use of the chemical Mace by the R.C.M.P.

Hon. G. J. McIlraith (Solicitor General): No, Mr. Speaker.

FISHERIES

HALIBUT—EFFECT OF RUSSIAN TRAWLER OPERATIONS

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Fisheries. Is the Department of Fisheries at present conducting studies to determine the effect of Russian trawling on the supply of halibut, ocean perch and other groundfish off the coast of British Columbia?

Mr. Speaker: I am not sure that that question is one of urgency. If it is, the minister might like to reply.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the Department of Fisheries has carried out studies of this nature, and others are under way.

Inquiries of the Ministry

TRANSPORT

CONSTRUCTION OF NORTHUMBERLAND CAUSEWAY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Minister of Public Works whether, in the wake of the eloquent appeal of the Premier of Prince Edward Island, consideration is being given to finishing the Northumberland causeway?

Mr. Knowles (Winnipeg North Centre): It is finished all right.

CANADIAN PACIFIC RAILWAY

REQUEST FOR SURVEY OF TRAIN ACCOMMODATION

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, my question is for the Minister of Transport. In view of the recent downgrading of the Canadian Pacific Railway passenger train "The Canadian" by the removal of a day coach and the Vancouver-Montreal sleeper, would the minister initiate an investigation into whether or not there is adequate space for the travelling public across the nation?

Mr. Speaker: The question should be placed on the order paper.

CANADIAN BROADCASTING CORPORATION

GUIDANCE IN PRESENTATION OF "FESTIVAL" SERIES

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have a question for the Secretary of State who, according to the schedule, is supposed to be here. In view of public criticism of some of the programs on the C.B.C. "Festival" series, and particularly in view of cancellation of some proposed programs on that series, is the minister prepared to offer guidance in this respect to the C.B.C.?

Hon. Paul Hellyer (Acting Prime Minister): Mr. Speaker, the Secretary of State is attending the constitutional conference, but I will be glad to have this question brought to his attention.

AIR TRANSPORT

WINNIPEG, MAN.—RECOGNITION IN SETTING FARES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question to the Minister of Transport. What progress is the government making in the matter of securing recognition of Winnipeg as an international gateway with respect to air line fares?

Mr. Speaker: May I suggest to the hon. member that the question as asked is very general in nature, and I have some doubt whether it can be accepted in this form.

Mr. Knowles (Winnipeg North Centre): Dix heures.

NATIONAL DEFENCE

NATO—WITHHOLDING OF FUNDS UNTIL COMPLETION OF REVIEW

Mr. Ed Schreyer (Selkirk): Mr. Speaker, before you call orders of the day might I direct a question to the Minister of National Defence and ask him whether he has had a chance to look into the question that he took as notice a few days ago, as to whether or not Canada was proceeding with capital expenditures on Canadian defence bases for NATO in Europe while the present review is still under way. The minister said last week that he would look into this matter.

Hon. Leo Cadieux (Minister of National Defence): Mr. Speaker, I do not think we were planning any construction. I should have thought that construction, under these conditions, would be a contribution to infrastructure, something we undertake normally. However I will look with pleasure into the specific aspect of the hon. member's question.

GOVERNMENT ORDERS

FISHERIES IMPROVEMENT LOANS ACT

AMENDMENT SUBSTITUTING RATE PRESCRIBED BY GOVERNOR IN COUNCIL

The House resumed from Monday, February 10, consideration of the motion of Mr. Davis (for the Minister of Finance) that Bill C-151, to amend the Fisheries Improvement Loans Act, be read a third time and passed.

Mr. James A. McGrath (St. John's East): Mr. Speaker, when the house adjourned at ten o'clock on Monday I had begun speaking about the serious problems facing the fishing industry of Canada and, more particularly, facing that industry in eastern Canada. I repeat, we look forward with eager anticipation to the statement the minister has promised to make before February 21. He promised to say what the government intends

to do on an interim, short and long term basis to cope with the serious difficulties facing the groundfish industry and the fishing industry of eastern Canada generally.

Since the crisis came to a head last fall the minister has consulted experts and his own colleagues in cabinet, and met trade representatives and representatives of the Newfoundland government. I am sure he consulted many times the Minister of Defence Production (Mr. Jamieson) who is, I am glad to say, in his seat. Because the minister has had all these consultations and meetings, we expect him to make a worth-while statement.

Perhaps the Minister of Defence Production did not actually mean what he said last Friday in St. John's, when he suggested his colleagues from Newfoundland were all talk and no action. I hope he did not mean those words; I hope they just slipped out; otherwise we may take it he is pointing an accusing finger at his own government. Surely he was suggesting, if he meant those words, that the government of which he is a member is discriminating against those constituencies and provinces which did not support the government in the last election. Perhaps he meant that members of parliament from constituencies which did not support the government ought to go home, because they are wasting their time. Because if his words are to be taken seriously, the implication is that the Liberal caucus is running the country, and that we are governed by edicts of cabinet. Personally, I do not think the minister really ment what he said when he was so critical of his Newfoundland colleagues.

Of course, we hope the minister is aware of the problems facing the Newfoundland fishing industry. We hope the Minister of Defence Production has enough influence with his colleague, the Minister of Fisheries, to make sure that the Minister of Fisheries makes his statement before February 21. The Minister of Defence Production knows how serious is the problem of our fishing industry; and there is no need to treat that problem in a partisan way.

The fact is that although the total catch for 1968 was 60 million pounds over the 1967 catch, the landed value of that catch was lower by $500,000. Therein lies the problem, and therein is the crisis facing the industry. We have all heard the story of closed fish plants, and fish plants that are contemplating having to close. In my constituency alone last year two fish plants were forced to close. At the last minute the provincial government has had to step in to avert the closing of four more plants. Is it any wonder we look forward with anticipation to the minister's statement and count the days until he makes it?

Since the minister comes from British Columbia I can well understand his enthusiasm for the bill. He knows his province has taken a great deal of advantage of this legislation. Fishermen of his province have been awarded the lion's share of all loans made under this legislation. He also knows that Newfoundland, the country's most important fishing province, for reasons still unknown to us, has not been able to take advantage of this legislation. In the last two years of the operation of the act no loans were made in Newfoundland and in New Brunswick, and only a few were made in Nova Scotia. Hardly any were made in Quebec. There must be a reason for this. There must be a reason why fishermen of British Columbia can qualify for loans under this legislation while fishermen from Newfoundland and New Brunswick cannot. Before debate finishes I hope the minister will give us the reason. We have a right to expect him to tell the house what steps he and his department propose to take to encourage the fishermen of Newfoundland, New Brunswick, Nova Scotia and Quebec to take better advantage of this legislation.

Is it any wonder we cannot get excited about the minister's proposed amendment, which would increase the maximum loan from $10,000 to $25,000? It is a matter of indifference to us whether you can borrow up to $10,000 or $25,000—but I expect it is very important for British Columbia fishermen. I suspect that is why the minister tried to introduce this amendment. I believe he has had representations from members of the fishing industry of his province in this regard—and more power to them. If they can take advantage of this legislation, we are all in favour of that. All we say is, there must be something wrong with the bill if it cannot be applied to the fishermen of Newfoundland; that there must be something wrong with its present form if it cannot be applied to the province of New Brunswick, and that there must be something wrong with the legislation if the fishermen of the Gaspé do not seem to be able to take advantage of it. I hope the minister will deal with these things before the debate closes. I hope he will make some reference to them because we have a right to know. We should not legislate for only one part of the country in this regard. This is an

important industry which is practically nationwide.

• (2:50 p.m.)

The fishermen of Newfoundland are just as anxious to take advantage of this federal legislation as the fishermen of British Columbia. Could the trouble be with the approved lenders? If that is the case why doesn't the department talk to approved lenders and encourage them to make loans to fishermen? Whatever the trouble, Mr. Speaker, the legislation in its present form is of no use to us.

On second reading the minister said that perhaps the reason this legislation was not being used was because fishermen in Newfoundland were taking advantage of provincial legislation. The best advice I can get is that the provincial legislation is of no particular value right now because no loans are being made under it.

I am sorry to see the Minister of Defence Production (Mr. Jamieson) has left the chamber. I had hoped that he would take part in this debate instead of being content just to speak to the Liberal party in Newfoundland. I hope he will have something meaningful to say about this bill before the debate ends.

Now, Mr. Speaker, I would like to deal briefly with a portion of the minister's statement on third reading. It is to be found at page 5353 of *Hansard*. It is a most extraordinary statement, and many of us are baffled as to why it had to be made in the first place. I quote briefly from it:

> This proposed amendment was incorporated in a notice which I sent to the Clerk of the House on February 5, 1969. I also commended it to the Committee on Fisheries and Forestry during the course of its deliberations on Thursday, February 6, as many hon. members present know. The notice I sent to the Clerk of the House of Commons was to the effect that after Bill C-151 had been reported back to this house I would propose under Standing Order 75 the following motion—

Then he went on to read his amendment. You will note, Mr. Speaker, that his amendment went to the Clerk of the House on February 5. It is also interesting to note that the minister said he commended the amendment to the Standing Committee on Fisheries and Forestry on Thursday, February 6. Yet five or six days prior to that the minister, referring to Bill C-151 in a speech to the United Fishermen and Allied Workers' Union in Vancouver, on February 1, said, and I think this is worth putting in *Hansard*:

> You can borrow up to $25,000 from any bank, or credit union, or insurance company. And you will be able to borrow this money at a lower rate of interest—

A little earlier on he said:

> This act, which has recently been up-dated, is geared to finance loans of up to $25,000.

He did not say that this was proposed, or that it was planned. He said, "is geared to finance loans of up to $25,000." Yet when he spoke there was no amendment before the house.

Hon. Jack Davis (Minister of Fisheries): On a question of privilege, Mr. Speaker, I believe the document to which the hon. member is referring is prefaced with the statement "notes for an address" to be given at the annual meeting of the United Fishermen and Allied Workers' Union in Vancouver. These were notes, and I actually used terms which were appropriate to the circumstances. I said the legislation was under consideration. Certainly the fishermen there were very well aware of it.

Mr. Speaker: Order, please. I doubt whether this is a question of privilege. In any event the hon. member who has the floor should be allowed to continue his speech.

Mr. McGrath: All I can say, Mr. Speaker, is that this is the speech which was circulated by the minister's office with the minister's approval after he made the speech, and if he had any corrections to make to it he could have called it in or sent the corrections out. To the best of my knowledge no such corrections were made and consequently we must accept this document as an accurate report of what he said in his speech.

I point out that the minister commended the amendment to the standing committee on Thursday, February 6, six days after he made his speech in Vancouver, six days after he referred to the amendment, and six days after he referred to it in such a way as to indicate that this bill had already been passed. I point out to the minister that the bill is still before this house, that it is not yet legislation, that it is not yet law nor will it be until it has received third reading in this house, until it has passed all stages in the other place and receives Royal Assent.

Notwithstanding the fact that the government has a majority in this house I submit

that we are not here to rubber stamp legislation at the whim of the government, nor are we here to act as trained seals at the whim of the government. It strikes me as utterly incredible that the minister did not know on February 1 that his proposed amendment was out of order. On the contrary, he spoke at that time as if the amendment raising the limit to $25,000 had not only been accepted but passed by parliament. Where were the law officers of the Crown at that time? Where were the minister's own officials? Where were the minister's cabinet colleagues?

Did the minister not ask for advice on the amendment? Surely he must have consulted with somebody between the time he introduced the resolution in the house on September 16 and second reading of the bill on January 21, and his first public reference to increasing the limit to $25,000 on February 1 when he spoke in Vancouver?

Surely during all that time he must have discussed it with somebody, or could it be that the minister in his characteristically self-assured manner discussed it with no one, consulted no one? In any event, from the time this legislation was introduced in this house on Friday, December 20, right up until the time of second reading, right up to the time of the committee study on February 6, during all that time it seems that the minister not once checked with his colleagues in cabinet, for example with the Minister of Finance (Mr. Benson), or with the law officers of the Crown to see if his amendment was in order. I think it is fair to say that we only got some action on this following the minister's speech in Vancouver on February 1. I think that the minister owes the house an explanation as to his conduct on this whole matter. If the minister is at fault let him get up in this house and say so.

• (3:00 p.m.)

In my view he will have to make a better explanation of the situation than the statement he made in the house on Monday night. The minister owes us an explanation before he can expect us to consent to third reading of the bill. We all know that the house is finding its way through the new rules. We all know, and greatly respect, the difficulties of Your Honour in this regard. Yet it would appear to me that the simple way out of this embarrassing situation would be for the minister to ask for unanimous consent to proceed with his amendment or withdraw the bill. However, he elected not to do so. Obviously, he had some doubt concerning the course of action he was taking because he raised the doubt himself. What did the minister have to say about this? I think it is worth referring to his speech of Monday night in which he mentioned this matter. He said, as recorded at page 5354 of *Hansard*:

> There is, however, another and important reservation. I am advised that the proposed amendment is not acceptable on another and altogether different ground for reasons which are only now becoming clear because they relate to the new rules—

Then, the minister goes on to say:

> I now find that any amendment of the character to which I alluded in the Committee on Fisheries and Forestry, or such as I have read into the record, would not be acceptable because the intent of the amendment is sufficiently different from the main provisions of Bill C-151—

Apparently, the minister now is setting himself up as an authority on the new rules because he did not say who gave him this advice. The minister states that the intent of the amendment is sufficiently different from the main provisions of Bill C-151 as to disqualify it under our new rules. Yet, in my view, Bill C-151 is amending legislation; it contains an amendment to a statute that is already on the statute books. It would appear that the new rules would permit an additional amendment to be made to the same bill.

It would seem to me also that it would be reasonable for the minister to ask for unanimous consent to withdraw the bill, then bring it back with a new amendment. But for reasons which we find difficult to understand, he has not done so. What difference would one more amendment make? Is the minister afraid that in doing this he might expose the fact he made a serious error? Everybody makes mistakes. Even the Minister of Finance (Mr. Benson) makes mistakes, as does his colleague the Minister of Fisheries (Mr. Davis). The minister is not infallible. All he had to do was admit that he made a mistake, a colossal boner, and then withdraw the bill. But rather, he insists on proceeding with the introduction of a new bill. He will take up the time of the house with another bill, whereas he could have saved the time of the house by withdrawing this bill and then introducing it in new form. In so doing, he would have been assured of the co-operation of all members of the house in the interest of expedition and saving time.

Mr. Perrault: Nonsense.

Mr. McGrath: The hon. member for Burnaby-Seymour (Mr. Perrault) is eloquent in interjecting from that position in which he is most eloquent.

In any event, we sincerely hope the minister will reconsider the ridiculous position he is in before this debate concludes; that he will withdraw the bill and bring it back with the new amendments included so that the house can get on with its business. I can assure you, Mr. Speaker, that we on this side of the house will give him our full co-operation in seeing to it that the bill is expeditiously passed through the house. That is the least the minister can do. Certainly before this debate concludes, he owes the house an explanation.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I have listened to the debate on this particular bill with considerable surprise. Members on the other side of the house tell us, first, this bill only applies to British Columbia, and then they criticize it because of this fact. I wonder whether they have forgotten that the province of British Columbia does not set aside the same funds for fishermen as are set aside for the fishermen in the maritime provinces. I have no desire at this time to tell the maritime members, particularly the Newfoundland members, about the provincial schemes which exist in their provinces; but I believe it is well worth pointing out that the British Columbia fishermen are forced to borrow money from the commercial lending institutions. This may or may not be the case in the maritime provinces. I think these provincial lending agencies are able to take care of the needs of the fishermen in the maritime provinces and therefore it is not necessary for them to go to the commercial market as is the case in respect of so many of my constituents in British Columbia.

The figures given by the hon. member for South Shore (Mr. Crouse), as well as by the previous speaker, indicate that only a few fishermen in the maritimes are making use of this money. I think they should realize that the reason for this lies right in their own provinces. They should find out exactly what is going on in the fishing industry in their provinces before they give misinformation to the members here.

This bill is a relatively simple one, and has one objection. The minister made clear to hon. members in the house, before the fisheries committee, and outside the house, his intention to bring in another amending bill which would raise the upper limits on the amount of money which could be borrowed under this particular guarantee, but that is not in this bill. It is perfectly clear that in this bill we are raising the rate of interest in order to allow more money to become available to the west coast fishermen, and fishermen elsewhere in Canada, if they cannot borrow money from the provincial agencies.

I think the suggestion of hon. members opposite that this bill be withdrawn and another amendment be included, to make an omnibus bill, is absurd. I think they should get together with some of their colleagues who are anxious to break up other bills such as bill C-150 which they suggest are omnibus bills. Here, there is a very good reason for two bills. If there is any criticism of the minister, it can only be that he is too eager to assist the fishermen and bring forward good amendments to the legislation. There is no question that if we follow the suggestions of the opposition members on this matter and withdraw this bill we will delay the date at which private money will become available for the fishermen. It is perfectly clear that the objective of the opposition is to hold up this bill. It is perfectly clear that their objective is to prevent more money getting into the hands of the fishermen, so that they can outfit boats for the summer.

Mr. McGrath: Nonsense.

Mr. Anderson: In my opinion, this is a disgrace.

Mr. McGrath: Mr. Speaker, I rise on a question of privilege. The hon. member in his remarks suggested we were deliberately trying to hold up this legislation in order to prevent the fishermen taking advantage of it. I submit to you, Mr. Speaker, that this is imputing motives and the hon. member should withdraw those remarks.

Mr. Deputy Speaker: Order, please. As hon. members know, it is not a practice of this house to impute motives. It would appear to me however that we are really more in an area of debate than privilege and I would suggest we hear the hon. member for Esquimalt-Saanich (Mr. Anderson).

• (3:10 p.m.)

Mr. Aiken: Mr. Speaker, on a point of order. I think that what the hon. member just said was said in a flagrant disregard for the rules of the house. He can, I suggest, state what the effect of holding up this legislation might be, but that is not what he stated. He stated that the hon. member for St. John's East (Mr. McGrath) and other members in the opposition were holding this up for a certain

purpose. I think he ought to withdraw what he said, because it was completely improper.

Mr. Crouse: I, too, wish to speak to the point of order. The hon. member served on the fisheries committee and he has been made aware of our efforts to expedite this legislation and our efforts to put into the legislation the very words the minister uttered during his speech on the west coast. We were barred from this action because of the fact we are not on that side of the house. It is not factually correct for the hon. member to impute this motive to members of our party. We have, during every stage of the deliberations on this bill, endeavoured to expedite it in accordance with the minister's stated purpose. I ask the hon. member to withdraw his remarks.

Mr. Otto: Mr. Speaker, there is another point of order. I believe you had made the ruling that there was no question of privilege or point of order and the debate should proceed. Secondly, —

Mr. Deputy Speaker: Order, please. The hon. member for St. John's East originally rose on a question of privilege. My understanding was that the hon. member for Parry Sound-Muskoka (Mr. Aiken) rose on a point of order. My remarks dealt with the original question of privilege. I suggest that it is probably in the interests of the house and fishermen generally that we hear the hon. member for Esquimalt-Saanich (Mr. Anderson).

Mr. Anderson: Mr. Speaker, I was not trying to impute anything—

Mr. Aiken: Mr. Speaker, I rise on a point of order. I am not exactly sure of the disposition you have made of my point of order. My specific point of order was that the hon. member was in breach of the rules of the house. I do not rise easily on this sort of thing, but he did just that. I did not understand Your Honour's ruling. If it is that the hon. member did not breach the rules of the house, I want that stated because I intend to make an appeal.

Mr. Deputy Speaker: Order, please. My remarks on the question of privilege or the point made by the hon. member for St. John's East were intended to agree that it is not a practice of this house to impute motives. It was not my impression that this was what the hon. member for Esquimalt-Saanich had done. If he did so, I did not understand that. I was interrupted for a moment during that period of the debate. I am sure the hon. member, like other members, will observe the practices of the house. If he has done what has been intimated, he might like to withdraw his remarks.

Mr. Anderson: Mr. Speaker, I am certainly quite happy to withdraw any suggestion of motivation. I will put the hon. members remarks down to ignorance on the part of members on the other side. I certainly think the member who rose on this particular question of privilege or point of order—

Mr. Aiken: Don't be so stupid. This is a point of order.

Mr. Macdonald (Rosedale): Don't you be so stupid.

Mr. Aiken: Keep your eyes open, and see what is going on.

Mr. Anderson: The hon. member who spoke earlier suggested, in fact, what would happen as a result of the withdrawal of this bill. He referred to the withdrawal of this important piece of legislation for the fishermen of Canada, and he stated something to the effect that what would happen—

Mr. Aiken: Mr. Speaker, I rise on a question of privilege.

Mr. Anderson: —would be a delay in the implementation of this measure to the detriment—

Mr. Aiken: Mr. Speaker, I did not say what the hon. member has just suggested. I stated that it is clear he has the right to comment on the remarks of the hon. member for St. John's East. I can make no objection to that. He can call him anything he likes, but he cannot do what he did; that is to suggest that the purpose of the objections raised by that hon. member was to adversely affect the fishermen involved.

Mr. Anderson: Mr. Speaker, as I have already stated, I am quite willing to withdraw any imputation that may have been made as far as the purpose is concerned, but the hon. member stated flatly sir, that the withdrawal of this bill would delay the implementation of this legislation, at a time when fishermen could have obtained more money under this legislation.

Mr. McGrath: He did not say that. That is not true.

Mr. Aiken: Once again, I did not say anything of the sort.

Mr. Anderson: Let me refer to what the other speaker said. I will accept your words, but I have grave doubts—

Mr. McGrath: Address the chair.

Mr. Anderson: Let me refer to the hon. member for South Shore (Mr. Crouse), who said he was eager to expedite this piece of legislation. The hon. member sitting behind him talked about a delay as a result of withdrawing this bill from the house at this time. Here is obviously another rift in the policy of the opposition in respect of this bill. Personally, I find it difficult to understand why members take this attitude because if we withdraw this bill we will delay approval of this excellent amendment.

The hon. member for South Shore said he was very keen to expedite this bill, yet the hon. member for St. John's East stated he would like this bill withdrawn. I cannot think of anything more contradictory than those two statements coming from hon. members from the same area of Canada. They have taken diametrically opposed positions in respect of what should be done about this bill.

Mr. Crouse: On that point of order, Mr. Speaker, it was only yesterday that I asked the Minister of Fisheries (Mr. Davis) whether he intended to withdraw the bill in view of the confusion that had been created by his statement on the west coast. It was our purpose to have the bill withdrawn and re-introduced. This action is necessary as a result of the bumbling and inefficiency of the minister himself.

Mr. Anderson: Mr. Speaker, we now have the hon. member for South Shore and the hon. member for Parry Sound-Muskoka confusing the issue as to what they actually said a moment ago. I simply state that this bill is a good bill; it embodies a good objective. I find it strange that the hon. member for South Shore is endeavouring to object to a bill which is designed to make more money available to fishermen who wish to borrow from commercial lending institutions.

As far as the other aspect goes regarding the upper limit on the amount that can be borrowed, the minister has stated that he is determined to bring in another amendment as soon as possible to cover this situation. I fail to see why we should hold up one good measure in order to get another. I think we should go ahead with this provision and put it into the act. This will put more money in the hands of the fishermen. Very shortly, we will be able to bring another bill before the house which will raise the upper limit on the amount that can be borrowed under the terms of the act.

I do not think there is anything very difficult about this bill. Hon. members opposite from the maritimes, I think, are confusing the matter when they continue to talk about this bill not applying in that area. The reason is perfectly obvious. The provinces have funds available at a very low rate of interest—lower than commercial rates—which fishermen are making use of in that area. If, as has been suggested, the provinces are no longer going to make this money available, certainly the fishermen of Newfoundland, Nova Scotia and other provinces in the east can make use of this act by borrowing money from commercial lending institutions, just as the fishermen of British Columbia have done for many years. This bill does not apply exclusively to British Columbia; it is applicable to the whole of Canada. If these fishermen find that another source of money has dried up there is no reason in the world for them not using the provisions of this act to obtain money from other lending institutions.

I think everything is fairly clear as to what will be available under the provisions of this bill. The bill deals only with the rate of interest. It should be perfectly easy for hon. members of the opposition, who are present—and they are few—to resolve their own differences of opinion. However, they would be more constructive if they made suggestions for improvements. Such suggestions would be more acceptable than the statements they have made today.

• (3:20 p.m.)

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I cannot let this bill go by without making at least a few brief comments. It is similar to some of the agricultural bills with which we dealt earlier this session, in that it provides more capital funds for the fishing industry but at a higher rate of interest. At the time the Minister of Agriculture (Mr. Olson) introduced his bills, I tried to point out that the problem of many farmers was not the need of a larger infusion of capital into the industry but a need for operating funds. We were not very successful in getting the Minister of Agriculture to accept our argument in this respect.

The Minister of Fisheries (Mr. Davis) has introduced a similar bill. I admit that the fisheries industry can probably use larger amounts of capital and can take advantage of

increased capital that is made available to it, but I suspect that this industry also needs an increased operating fund in order to pay the higher interest rate to be charged, if nothing else. It may well be that with an increased source of capital, the fishing industry could operate more efficiently and afford to pay increased interest rates.

Since I came to this house last fall I have noticed that there has been a deliberate—perhaps I should not impute motives to the government—but there has been a consistent, at least, approach to solving problems in this way. When any industry has a problem, the government says: Let us lend it some money. We have not been considering the operating problems of the industries concerned.

I do not know whether the minister is allowed to discuss the matter at this stage, but I would like to register a protest in this respect. I do not think that all the problems of industries can be solved by merely lending more money. Serious consideration must be given to the income aspect of these industries.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, the remarks of my hon. friend opposite a moment ago, and the confusion that arose therefrom, could very well have been avoided if the bill under discussion had been properly drafted and presented.

Mr. McGrath: He is not even in his seat.

Mr. Carter: Obviously, this bill has been sloppily drafted. The minister's speech in Vancouver on February 1, wherein he made certain statements which almost completely contradict the intent of the bill, is an indication that confusion still reigns in the Liberal government. I have listened with a great deal of interest to the speeches made on this bill and do not mind confessing that I am becoming more frustrated each day. I must confess, too, that I find it extremely difficult to reconcile the contents of this bill with the statement of the Minister of Fisheries (Mr. Davis) in Vancouver on February 1.

As my colleague the hon. member for St. John's East (Mr. McGrath) has already pointed out, in the course of the speech the minister made in Vancouver on February 1 he stated the following when referring to this bill, Bill C-151:

> This act which has recently been updated is geared to finance loans up to $25,000.

In the same speech he said that fishermen would be able to borrow this amount of money at a lower rate of interest than is available to anyone else in Canada, that is, anyone other than the government of Canada itself. The minister went on to say that the interest rate would be geared to the interest rate paid by the government of Canada on its long term loans. If Ottawa paid 6 per cent, the fishermen would be asked to pay 7 per cent. If the interest rate on federal borrowings falls to 5 per cent, the rate charged under this act will be 1 per cent higher. The difference will be 1 per cent above the interest rate paid by the federal government on its borrowings. That is what the minister said in Vancouver, but I do not see any reference to this formula in the bill before us.

Mr. McGrath: The minister is showing his usual contempt for parliament.

Mr. Carter: I do not see in this bill any reference to lifting the ceiling on the amount to be lent. The minister has suggested that the ceiling will be lifted from $10,000 to $25,000. Therefore, I do not think that we on this side of the house can be accused of trying to hold up the bill when we ask that there be included in it those things the minister has stated. We have no desire whatever to make a liar of the Minister of Fisheries.

An hon. Member: You will not be able to, either.

Mr. Carter: The minister made a statement in Vancouver, and it is our great desire to see put into practice those things which he mentioned. We presume that what the minister said was correct and that he was speaking in his capacity as Minister of Fisheries. The minister said fishermen will be able to borrow $25,000 and the interest rate will be just 1 per cent above that paid by the government of Canada on its borrowings. We expect this principle to be included in this legislation. We expect that legislation will be drafted and put before the house to encompass the minister's suggestion and recommendations.

The minister made another interesting remark, namely, that the provisions of this act will be similar to those with regard to loans made under the National Housing Act, whereby people can borrow money with which to buy or build a new home. This is poor consolation to me, and I suppose to fishermen generally, certainly those on the east coast. I presume this measure also applies to fishermen on the west coast. I say this because the ceiling on the interest rate has been lifted from 5 per cent to an amount to be designated by the Governor in Council.

I believe that on loans under the National Housing Act, the interest rate is now 9⅝ per cent. Surely, we do not expect fishermen to pay an interest rate of 9⅝ per cent on loans made under this legislation. I hope the minister will clarify this point, because I am sure it is a matter of great concern to prospective borrowers from this fund.

In my opinion there are two areas of inconsistency in the legislation as far as the Minister of Fisheries is concerned. One is that there is no provision to increase the ceiling on loans made under the act from the present amount of $10,000. The second is that there is no provision in the bill whereby the government will set the interest rate to be charged on money borrowed under the legislation at 1 per cent higher than that which the government pays for its borrowings, although this was suggested by the Minister of Fisheries in his address in Vancouver on February 1.

I must say, in all fairness, that I do not think the minister deliberately tried to mislead the house. At least, I hope not. I would not like to think he would deliberately say one thing here and another thing for the benefit of his friends and the fishermen of British Columbia. Therefore, Mr. Speaker, I hope the minister will clarify this point when he closes the debate.

• (3:30 p.m.)

I am quite happy for the fishermen of British Columbia, who are obviously in a position to avail themselves of these loans. But as far as the east coast is concerned, particularly my province of Newfoundland, this bill is simply another empty gesture on the part of this government. So far as the fishermen of the east coast, and particularly of Newfoundland, are concerned this legislation does nothing for them. In my opinion this is a cruel bill to the average Newfoundland fisherman because it tantalizes him with a prospect of something without holding out any hope of achieving it under existing conditions. Legislation such as this, carrying as it does the authority and prestige of the federal government, is nothing more than an open invitation to our east coast fishermen to plunge into debt over their heads. As I have said before, what the east coast fishermen need is not legislation such as this but legislation which would help them tackle the root of the problems that beset this industry as well as their own social problems.

Before we can honestly extend loan facilities to the people of my province, I think we must first bring them up to a position where they can usefully employ these loans. The government should devote its attention to assisting our east coast fishermen to improve their methods of operations, their fishing techniques and their means of marketing. What we need most is legislation that would assist our east coast fishermen and help to bring them into the twentieth century.

Since this parliament convened in September, my colleagues and I have, on numerous occasions, brought to the attention of the government and of the Minister of Fisheries in particular the desperate need for immediate assistance if we are to stave off the complete collapse of the Newfoundland fishing industry. We have repeatedly impressed on the government the importance of that industry to the economic life of the east coast of Canada, and in particular of Newfoundland, where almost one quarter of our population derives a living from that source, either directly or indirectly.

Despite what the previous speaker said a moment ago, I think that the uselessness of the present legislation in so far as the Atlantic provinces are concerned has been pointed out in a report that has been tabled for the fiscal year ending March 31, 1968 dealing with loans made under this legislation. In British Columbia 147 loans were made totalling almost $1 million, and I say more power to them if they can avail themselves of these loans and find a way to repay them. In Nova Scotia six loans were made, totalling a little over $150,000. In Prince Edward Island a number of small loans were made which totalled a little over $100,000. However, Newfoundland—the biggest fishing area in Canada and certainly a province whose economy is affected by the fishing industry more than any other province of Canada—did not receive one loan during that period. Indeed, since the inception of this legislation, out of a total of 2,586 loans totalling a little over $6 million, Newfoundland has received 18 loans which amounted to $23,000.

I ask you in all sincerity what further proof this government needs that this legislation is nothing more than a farce. It is completely useless and does nothing but make a real mockery of the fishing industry and the fishing problems on the east coast, and particularly in Newfoundland.

My colleague, the hon. member for St. John's East (Mr. McGrath) made reference to the fact that all the people of Newfoundland,

as well as those on the east coast, are anxiously awaiting a promised statement from the Minister of Fisheries wherein we hope he will outline the government's plan to assist the east coast fishing industry. I think the minister announced in this house that a statement will be forthcoming within a week or two. I can tell him now that in our opinion it is a very important announcement. We hope that the statement will not be delayed much longer, because many people are awaiting it. I do not wish to overdramatize the seriousness of the situation that exists on the east coast and in Newfoundland, but I would say that the future of the fishing industry in my province—and I presume the same situation exists in the other east coast provinces—is hanging in the balance.

If this government elects to ignore or to turn a deaf ear to our pleas, in my opinion the entire fishing industry in Newfoundland will collapse. You can imagine what a terrible indictment of the Canadian nation, and particularly of the present government, this will be. Unless this government comes forward with a worthwhile and practical plan to revitalize the fishing industry on the east coast and in Newfoundland, unless they come forward with a plan that will give our people a chance to attain the status of first class citizens, unless they can be given a chance to earn a decent living for themselves and their families and be able to stand tall and walk straight as first class Canadians, I suggest that the union between our two countries which was consumated on April 1, 1949 will be judged as a terrible mistake. I sincerely hope that this will not happen.

I made reference, as did my colleague, the hon. member for St. John's East, to a speech that was made by the Minister of Defence Production (Mr. Jamieson) at a certain ball in St. John's. In Newfoundland we have learned not to take too seriously speeches made at these Liberal balls, especially by the Minister of Defence Production, but I hope he will clarify the remark which he made that the six Newfoundland members of the house were doing a lot of talking and getting little done. I hope he will indicate to the house, to us and to our people, that he is not expressing the feelings of his colleagues in cabinet; that they do not intend to penalize our constituents because they had the good sense to vote the way they did on June 25. Ordinarily, a statement such as the one made by the minister would worry me somewhat but, as I said, one does not take too seriously statements made in Newfoundland by certain people. However, I would like the minister to say something to the effect that he is not expressing the feelings of his cabinet colleagues and that they do not intend to penalize our people because they voted the way they did on June 25.

• (3:40 p.m.)

I will expect the minister, when he sums up at the end of the debate, to explain why he would say one thing in British Columbia and another thing in this chamber in connection with the bill we are now discussing. I hope, also, that he will make the statement which he promised to make with regard to the government's plan to assist fishermen on the east coast. I cannot tell you how important that is, Mr. Speaker. The economic life of our province depends on the fisheries and on the assistance which may be forthcoming from the federal government.

Mr. Deputy Speaker: I see the minister rising. I would point out that the hon. gentleman has already spoken on third reading and, according to our rules, he has no right to reply at this stage. But if the house is prepared to give unanimous consent—

Some hon. Members: Agreed.

Hon. Jack Davis (Minister of Fisheries): Thank you, Mr. Speaker. I should like to answer several of the questions which have been raised by hon. members, particularly by those on the other side of the house. Words like "useless", "a farce", and "a mockery" have been applied not only to the bill before the house but also to the Fisheries Improvement Loans Act itself.

It is true that the Fisheries Improvement Loans Act will only help fishermen who are quite capable of fishing commercially, operating economically and surviving without a substantial subsidy. It does not provide a subsidy to anyone. It makes it easier for ordinary commercial establishments such as banks, credit unions and trust companies to lend money to viable fisheries operations. It is aimed at individual fishermen. It does not make loans available to companies. Since the act came into effect in 1955, roughly 2,400 fishermen have seen fit to take advantage of it because they were able to get loans on better terms and under better conditions than they could in any other way.

It has been pointed out that the large majority of these loans has been made to fishermen on Canada's west coast. This is mainly due to

the fact that there is no provincial loans board in British Columbia providing money at lower rates than are available under the federal act. It is also due to the fact that the fishermen on the west coast are not as heavily subsidized as are fishermen on the east coast.

The amendments proposed in Bill C-151 were outlined by me in Vancouver. I said to the fishermen in Vancouver that they would be able, within the next month or two, to borrow money through a wide range of commercial sources at lower interest rates than those paid by the largest corporations in the country. In a month or two they would be able to borrow at 7½ per cent, which is less than the 8 per cent to 8½ per cent which B.C. Packers have to pay for new money and only one per cent more than the cost of money to the federal government itself, which will be guaranteeing every loan made under the amended Fisheries Improvement Loans Act.

This is what the act does. This is what the people of Canada are doing collectively. By lending their credit, they make loans available at lower rates of interest than would otherwise be charged. This is the main advantage of obtaining a loan under the act.

If a fisherman is operating in the Atlantic region he would be well advised to go to the provincial government, to one of the fisheries loans boards there which provide money at rates of interest which vary all the way from zero in the case of Quebec to a maximum of 6½ per cent. These rates are less than those which will be charged in the near future when Bill C-151 becomes effective.

The provincial governments are able, through their lending agencies in the Atlantic area, to make loans available at preferable interest rates partly because of assistance they receive from the federal government. For example, Newfoundland gets, I believe, more than 60 per cent of its revenue directly from the federal government so, at its discretion, it can make loans available at lower interest rates to fishermen if it chooses. This is something each province should be free to do. In the case of the maritime provinces and Quebec, all are recipients of equalization grants from the federal government. They choose to do this sort of thing, but in my view it is not what the federal government should be doing, discriminating, in one part of Canada as opposed to another. I believe we should pass laws in this chamber which apply uniformly across the country and which bear equally on all Canadians. Then, through equalization grants and other broad arrangements we can give provinces the opportunity to do what they like in their own areas. The existence of special provincial arrangements is the main reason why fishermen in the Atlantic region have not taken advantage of the act to the same extent as have fishermen on the west coast.

I have undertaken to introduce another bill dealing with different clauses in the basic act as soon as I possibly can. This bill will certainly deal with the maximum amount of the loan available to an individual fisherman. I understand that once Bill C-151 has been passed by this house in principle on second reading it is no longer possible to make an amendment on the report stage or on third reading with respect to matters which fall outside the specific clauses of the measure. Those clauses did not include the provision in the basic act which dealt with ceilings.

Mr. McGrath: Would the minister not agree that this could have been done by unanimous consent? We are dealing with new rules and we are just feeling our way.

Mr. Davis: I am not expert on the rules. I sought advice from the proper authorities and they told me it was not possible. I accepted that advice. If I had not done so, and if I had attempted to bring in an amendment of the sort to which the hon. member has referred, I am sure I would have been ruled out of order by Mr. Speaker. So I am trying to do the right thing and bring in a bill incorporating important and advantageous changes in the act as soon as possible; I am committed personally to bringing in another bill which will include the clause dealing with the ceiling on individual loans.

I do not see there is anything to be gained by delaying the passage of this bill. At least, money will be available at rates of interest acceptable to the commercial establishments involved and money will begin to flow again. That much, at least, will be accomplished. In Newfoundland and the maritimes a wider range of institutions will be involved.

If money is available at better rates and on better terms from the provincial institutions, that is all to the good. But I think my department must take an initiative itself by publicizing the availability of loans under the federal act. The Department of Fisheries must itself endeavour to make the existence of this privilege known; it must make use of the fisheries officers, who are scattered across the country, to pass this information along.

I think this covers the questions which have been raised since I made my initial statement on third reading, Mr. Speaker.

Mr. Crouse: Would the minister permit a question? In view of the time limits imposed on members of parliament in discussing legislation, may I ask the minister whether there is any valid reason for not incorporating the higher ceiling in this bill when it was prepared for presentation to the house. It seems to me that this would have been a much better course to follow, instead of making two bites at the one cherry.

• (3:50 p.m.)

Mr. Davis: The hon. member does have a good point. He did say, however, that I prepared the legislation. I did not prepare it; it was prepared some considerable time ago in the name of the Minister of Finance (Mr. Benson).

I now think we should make some other changes in the Fisheries Improvement Loans Act. As a result of bringing this bill before the house and discussing the particular clause which I referred to the authorities we have improved our position in the government's timetable.

Mr. McGrath: Mr. Speaker, with the consent of the house would the minister consider a further question. Would he tell the house what steps his department proposes to take to make the provisions of the bill applicable, or more acceptable if you like, to the provinces of Newfoundland and New Brunswick? I should like the minister to comment on this. It appears to me that it is the approved lenders who are at fault in that they discourage this kind of lending to fishermen. Perhaps some initiative could be taken to encourage approved lenders to make loans under this act. After all, it is a very serious matter that the province of Newfoundland cannot avail itself of this legislation, and I am wondering what the minister's department is going to do about it.

Mr. Davis: Mr. Speaker, I think the fault lies partly with the government in that we have not publicized this legislation enough. Perhaps it also lies to a greater extent with the commercial lending institutions. For example, I understand that in Newfoundland there are not that many branch banks generally scattered throughout the province in the way that they are, for example, in British Columbia. So that as a result of limiting the legislation to banks only there are insufficient bank managers or facilities available in Newfoundland, to publicize and grant loans.

However, there is no hiding the fact that basically these are commercial rates of interest. The only difference between normal commercial rates and these rates is that these have the backing of the people of Canada, which does effectively reduce the rate to fishermen. But it does not reduce it to the degree it would have to be reduced under current circumstances to be of real interest to many fishermen in Newfoundland. I do not pretend that this particular act, especially in present times of high interest rates, will do a great deal for the fishermen in Newfoundland, because it will not.

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

AGRICULTURE

COMPENSATION FOR CONTAMINATION BY PESTICIDE RESIDUE—REPORT STAGE

The house proceeded to the consideration of Bill C-155, to provide compensation to farmers whose agricultural products are contaminated by pesticide residue, and to provide for appeals from compensation awards, as reported (without amendment) from the Standing Committee on Agriculture.

Mr. A. P. Gleave (Saskatoon-Biggar) moved:

That clause 9(1) of the said bill be deleted and that the following be substituted therefor:

"9(1) Every person who, or whose employee or agent, violates any provision of this act is guilty of an offence punishable on summary conviction."

He said: Mr. Speaker, speaking in support of this amendment may I say that I think the penalty proposed here is more severe than is required. Clause 9(1)(a) provides that any person who violates any provision of the act has committed an indictable offence and is liable to imprisonment for two years. I suggest that paragraph (b) provides adequate enforcement of the law.

In this day and age I do not think we should provide under this type of bill that a person be put in jail for two years, be branded as a criminal, photographed and fingerprinted, as would be the case under paragraph (a). During the committee sittings I asked why a penalty of this severity was incorporated in the bill. I could quote the answers from the evidence, but I do not think that is necessary. In general, the reply was that two years was the minimum term on an indictable offence. Another answer I received,

and which I thought was quite irrelevant, was that incarceration would be in a federal penitentiary, not a provincial jail. I got the impression that this sort of provision was standard form in this type of legislation, but this does not seem to me a sufficient answer.

In our discussions of the omnibus bill, we are carefully considering punishment and conviction and trying to relate the punishment to the behaviours and motives of the person who falls afoul of the law. In the bill we are considering this afternoon—actually we are considering two bills, C-155 and another bill to come before us—we are considering measures that even a few years ago would not have been necessary. However, they are required now because we are using pesticides in agriculture.

These pesticides are widely used in city and urban communities to control such ordinary insects as mosquitos and house flies. In the process of controlling them, there is the danger that people might use products they should not use, or use them inadvisedly. In addition, it is possible that manufacturers or distributors may release products inadvisedly. I doubt that anybody, whether he be user or manufacturer, would use or manufacture any product that he thought would damage the community at large or be hazardous to people in the vicinity. Under the spur of a profit motive, of course, a manufacturer will try to put out a product which will bring him a profit and which will be accepted in volume by the community at large. This is the sort of thing we are dealing with under this bill. I find it altogether unreasonable that farmers, manufacturers and distributors should be dealt with on the same basis as those who have committed assault, or robbed others.

• (4:00 p.m.)

A point was raised to this effect: an inspector might be abused while carrying out his duties under the act. From my interpretation of the information Mr. Newman gave the standing committee, an inspector who is assaulted or who suffers any injury has available to him his remedy in law. I confess I am at a disadvantage in presenting my argument since I have no training in law. All the same, my arguments are based on common sense. I do not think we ought to contemplate including in the provisions of this bill the punishment the government has included in it. In our society, unfortunately, we have to control individuals to a much greater extent than was necessary some years ago. It may be necessary in future to impose severe punishments on those contravening the provisions of the bill. I do not know that it will be necessary, but neither does anyone else. At present I am in this position. Nothing that was said in committee or elsewhere convinced me that it is necessary to proceed against an offender under this bill by way of indictment and punish him by imposing a penalty of two years imprisonment. In Saskatchewan, we have had for a long time a number of weed control acts. I know, from personal observation, that when people were proceeded against for allowing obnoxious weeds to grow on their property it was touch and go whether they were guilty of anything other than—to use the vernacular—stumbling around and being incompetent.

I think those who will be proceeded against under this act may fall within that category. Certainly, I do not think any hon. member would wish to see a farmer, manufacturer or distributor charged with an indictable offence, photographed and fingerprinted. I, therefore, submit that hon. members ought to support the amendment. If in future the government feels it necessary to introduce a provision allowing for harsh punishment, well and good. But until then, let us take the punishment provision out of the bill.

On January 28, as reported in Minutes of Proceedings and Evidence of the Standing Committee on Agriculture at page 373, Mr. Newman, who is listed as a legal adviser, said:

> I believe that the provisions of the Identification of Criminals Act would come into effect and that the police would have the right to have the accused photographed and fingerprinted because he was charged with an indictable offence.

This is taking the matter too far. Farmers should not be so treated. We were told it was unlikely that such action would be taken. If that is so, why have the punishment provision in the bill? At page 381 of the same committee report the deputy minister, Mr. Williams, is reported as saying:

> My understanding is that after this act is passed he will solely have this act, because he has no rights under any other act.

I will not labour the point, because it is fairly simple and easy to understand. The minister and the government have the right to bring new provisions before the house; but we are dealing with pesticides here and we ought to make certain that the rights of the individual are not impaired. We should not fall back on procedures reserved for other

offences. It must be remembered that we are trying to control the use of chemicals and before considering this punishment we ought to consider what methods we might adopt to persuade individuals not to infringe the provisions of this bill. Civil action might be contemplated. If someone disobeys the law, then his product ought to be seized, perhaps. Controls might be imposed on products manufactured in plants. Similar steps might be taken with regard to farmers. But do not approach manufacturers, farmers or distributors on the basis that if they disobey this law they are criminals and should be punished.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I wish to speak for a few moments to the amendment put forward by the hon. member who has just resumed his seat. Hon. members of Her Majesty's Loyal Opposition are prepared to support his amendment.

I wish to speak about the workings of the committee that dealt with this measure and to say why it ought not to have been necessary to bring this amendment before the house at this time. We are operating under the new rules, Mr. Speaker, and at present we are dealing with one of the first pieces of legislation brought before the Standing Committee on Agriculture to be dealt with in accordance with the new rules. In that committee we were favoured, as in the past, by presentations of witnesses from the Department of Agriculture. They were called before the committee and answered all questions put to them by committee members about the matter being considered at that time. In fairness, we must pay special tribute to those officers of the department, not only for the concise and intelligent manner in which they answered all questions, but also for their patience in trying to assist us in every possible way to get at the root of the matter before us.

• (4:10 p.m.)

Having said that, Mr. Speaker, I would like to make a few remarks with regard to the Minister of Agriculture (Mr. Olson) and the part he played in the proceedings, even though there is no definite provision in the new rules that a minister must be in attendance at committee hearings. Over the past number of years it has been a bone of contention with members of standing committees that usually a minister appeared to make an official statement, then left and his departmental officials had the responsibility for the rest of the proceedings. These officials were unable to answer questions on policy and were compelled to stay strictly within the terms of the legislation or the departmental estimates, as the case might have been. We in the opposition have always felt this placed an unfair burden on the departmental officials. We were agreeably surprised to find that whenever it was possible, the Minister of Agriculture was inclined to appear before our committee, answer all questions directed to him, and speak on behalf of the government that he represents and the department that he has the honour to head.

Having said that, I would like to deal with the actual activity of the committee itself. I do not feel that it is necessary for an amendment of this type to appear before the House of Commons during discussion of the bill at the report stage. I cast no reflection on the hon. member who brought in the amendment. As a matter of fact, I commend him for his action, but if the standing committees of the house are to perform the duties that are expected of them then we should be able to solve differences of opinion in regard to the legislation before us within the committees. We should be able to introduce amendments, arrive at a consensus, so that the report to the house would deal with the very best piece of legislation a committee is able to provide for the citizens of the country.

Why was it necessary for this amendment to come before the house? In my opinion, it is the result of the partisan approach of government members to legislation in committees. I say this in a kindly way because I am sure all committee members are anxious to do the best job they can for the people they represent, for the country as a whole, and for their parties. I note that perhaps a lot of the difficulty in this instance was due to the fact that many government members on the committee were not old members of the house—

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the hon. member, and I am anxious to allow him as much leeway as possible in view of the fact that we are operating under new rules. I am sure the house would be interested in his comments, but it is a rule of the house that a member when speaking on an amendment should restrict his remarks to the amendment itself. I do not want to be unnecessarily harsh in the application of this rule, but I would ask the hon. member to come to the exact point before the house as quickly as possible.

Mr. Danforth: Thank you, Mr. Speaker. Your point is very well taken. I am sure I

will have an opportunity on third reading of the bill to enlarge upon my contention in this regard. But, Mr. Speaker, I must contend that had the committee proceeded with its work in the fashion that every member expected, it would not have been necessary for us to deal with this amendment at this time. But since we were unable to proceed with the amendment in committee we, in this party must support the amendment at this stage. As the hon. member who preceded me so ably pointed out, it was not the intention of the government officials who drafted this bill, and I do not believe it was the government's intention, to make it mandatory that anyone breaking the provisions of this bill with respect to the use of chemicals in the production of agricultural products be charged with an indictable offence.

The use of pesticides and insecticides is bound to extend as new chemicals and preparations are discovered. There will be different methods used to apply pesticides and insecticides. This field of work will grow and grow. There will be many new methods used to apply chemicals. More and more individuals will be involved. Manufacturing processes will become more extensive. Applicator machines will grow in size and complication. By its very nature, this whole industry is bound to increase in size and complexity.

Although provision is made for the use of discretion with respect to launching criminal or civil actions, we think the indictable offence aspect should be eliminated from the bill. We believe that the summary conviction approach can provide the necessary protection that we all seek through this particular measure.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the amendment moved by the hon. member for Saskatoon-Biggar (Mr. Gleave) is the same one that was moved in committee and defeated. I do not challenge his right to move it now, or to give notice that he would move it. However, I think the explanations that were given in committee should have persuaded him that many of the remarks he made in committee, and indeed many that he made in the house, this afternoon, were completely irrelevant to the bill.

The offences that could be created under Bill C-155 have nothing to do with the way that a farmer applies pesticides to his crops. That is dealt with in another bill. Of course, the bill provides that in order to claim compensation the farmer must have used the pesticides in accordance with the recommendations on the label, and that sort of thing. The argument that under the terms of this bill a farmer could be charged with an indictable offence because of having inadvertently misused chemicals is simply not valid.

• (4:20 p.m.)

I had thought that was made clear to the hon. member and members of the committee when we were before the committee. However, the reason for including this provision in the bill, as is the case in respect of federal statutes of a similar nature is that we feel it is desirable that there exist an option to try offences by summary conviction or by indictment. If the proposed amendment should pass, it would be possible to proceed only by way of a summary conviction for an offence under this bill. As the hon. member knows, the maximum penalty fur such an offence is limited by the Criminal Code to six months' imprisonment or a fine of $500 or both. In the case of corporations an increased fine would be possible but only to the extent of $1,500.

We feel that certain offences might occur which would warrant proceeding by way of indictment. This procedure would carry a potentially greater penalty than would be available under the provisions of the Criminal Code in respect of summary conviction. It should be noted that offences under this bill might include those similar in nature, as I said, to fraud and false pretences. Under the Criminal Code, such an offence in most cases would be punishable on indictment. The fact that an offence under this bill might also be dealt with in the Criminal Code does not affect inclusion of the provisions in the legislation to make the legislation as much as possible self-contained. These provisions specifically cover situations in which the Criminal Code might or might not apply.

It should also be noted that in a procedure by indictment an accused has the benefit of electing trial by jury, which of course he would not have under this bill if the amendment of the hon. member were accepted. Further, the maximum penalty of two years in respect of an indictable offence is the lowest maximum that is available under the Criminal Code. In other words, the lowest maximum is what is being provided for an indictable offence. So, when the hon. gentleman makes the plea that we would be subjecting farmers who inadvertently misuse chemicals to a penalty of two years in jail, he

is simply not stating the facts of the case. I hope hon. members will take that into consideration.

I also think we should be clear on what the purpose of clause 9 is. The purpose is to provide what is required in all acts; that is, the offences and penalties. We certainly are not attempting to substitute this legislation for the duty of the court, which is to hear the evidence and pass a reasonable, fair and just sentence in line with the evidence that may be presented to it. I think it is perhaps presumptuous of the hon. member to suggest he can predict in advance what all the evidence and circumstances will be surrounding an offence and decide now that no one will be guilty of fraud or misrepresentation which may be deserving of a penalty of more than six months. Surely, we have more confidence in our courts than that.

The Acting Speaker (Mr. Béchard): Is the house ready for the question on the amendment in respect of clause 9(1)? Is it the pleasure of the house to adopt the said motion? All those in favour of the amendment please say, yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Béchard): All those opposed please say, nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Béchard): In my opinion the nays have it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before you call in the members may I draw to your attention Standing Order 75(11) which suggests that if there are two amendments to the same bill to be voted on at the report stage the votes could be held at the same time. In view of the fact that the hon. member for Saskatoon-Biggar (Mr. Gleave) has another amendment to this bill, I think it will probably meet the wishes of the house if this vote were deferred to ascertain whether it is necessary to have a division on that amendment as well.

The Acting Spaeker (Mr. Béchard): Order. I apologize to the house. Pursuant to section (11) of Standing Order 75 the recorded division on the amendment now being considered stands deferred until all amendments proposed to this bill have been considered.

Mr. A. P. Gleave (Saskatoon-Biggar) moved:

That Clause 13(3) of the said bill be deleted.

He said: Mr. Speaker, my purpose in moving this amendment again is to give the individual or company the full protection of the law. Clause 13(3) says:

The decision of the Assessor on any appeal brought pursuant to this Part is final and conclusive and not subject to appeal to or review by any court.

I do not think a bill that has within it the provisions this one has should deny to an individual or a company the right to go to a court of law if such individual or company should be dissatisfied with their treatment. I think, necessarily in this society, we do control the actions of individuals; we do say to them, as can be said to them under this bill, that there is certain pollution on their property or that certain things have happened as a result of the use of pesticides and therefore the Department of Agriculture can move in and do certain things. Then, there is provision for compensation to the individual or company for the action the government has found it necessary to take. This bill does not state the rate of compensation which must be paid to the individual. During the course of the committee hearings I suggested the rate of compensation should be set; that is, that a certain minimum percentage should be established as a guide to the Department of Agriculture and as a protection to the farmer or company. It would not necessarily always be a farmer involved in this provision.

• (4:30 p.m.)

Under the act the farmer would immediately be entitled to a certain amount, but the amount decided upon would not be subject to appeal. Those responsible for guiding the committee suggested an appeal could not be allowed. They suggested the government should reserve unto itself the right by order in council to set the amount of compensation. Having reserved this right, the government has said in the final clause of the bill that it will not permit an individual or a company to go to court if the amount of compensation is felt to be unfair. We should not deny the right of an individual to his day in court. The right of appeal is a protection for an individual who feels he has been aggrieved or has not received justice.

Even in an act such as this, which in essence involves a civil procedure, we should not prevent an individual seeking recourse if he feels he has been wrongly used. In a complex society like this we must take action to control the individual and the company. At the same time, we should be careful not to

limit their rights to obtain the kind of treatment they deserve as citizens.

If a rate of compensation were set this would make a difference, but I do not think the difference would be sufficient to deny an appeal procedure. I assume that an assessor would be appointed from the bench to hear appeals against decisions which had been made by the Department of Agriculture. We should not deny individuals the right to appeal such decisions to a court.

Individuals are bound by the rate of compensation set by the Department of Agriculture. I do not think it would happen, but it is conceivable that a compensation rate might be too low. In that event, through an appeal procedure, it might be found that the compensation was too low. Under this measure there would be no recourse even though it was obvious that the compensation was lower than that anticipated by this measure.

For these reasons, I think this proposed section should be deleted from the act. We should leave an individual or a company with the right enjoyed by other Canadians, that is, to appear before a court of law to settle a grievance or obtain justice.

Mr. H. W. Danforth (Kent-Essex): In speaking on this amendment let me assure the house that we in the official opposition will support the amendment referred to by the hon. gentleman who has just taken his seat. We are of the opinion that this matter could have been decided at the committee stage. It is unfortunate that we in the opposition must, in every instance, make a final appeal to the house when we have what we consider to be a very good proposition to put forward.

The minister stated previously that the conditions embodied in many of these clauses can be found in many other legislative measures and that these are merely repetitions of regulations which have been in existence throughout the years. It is for this reason, among others, that we wish to see changes made, because we are not dealing with the past, but the future.

We can foresee drastic changes in the agricultural industry and allied industries. In the years ahead of us the operations of these industries will advance. Certainly, agricultural operations are very different today. The fact this bill is before us indicates that the government is aware of the drastic changes which have taken place already. We cannot accept the minister's contention that because these conditions exist in other legislative measures, they should be incorporated in this bill.

I agree with the hon. gentleman who has just taken his seat that there should be a right of appeal in respect of conditions laid down or judgments rendered. We are not talking about a judgment of the court, but merely the decision of an appointed assessor. I am not suggesting such decisions will be unfair, but surely it is unnecessarily drastic to write into the bill that such a decision by an assessor is binding and that an individual or company will have no further recourse.

Surely, in this new and just society we are supposed to be creating government members should be anxious to support this right of appeal to an individual or a corporation which felt it had been aggrieved because compensation was not adequate. While this type of clause may be written into other measures, the fact that it curtails the right of appeal from the judgment of an assessor should indicate to hon. members that something is wrong. We are preventing by legislation this recourse in respect of decisions of this type.

We are entering an entirely new field of endeavour. The agricultural and chemical industries will undergo extensive changes in the future. The best we can accomplish by this legislation may prove to be wrong in a matter of months rather than years. I entreat members of the government to look favourably on the contention by opposition members that there should be a right of appeal.

In dealing with bills of this nature I am gravely concerned because there seems to be no avenue of appeal in respect of mandatory decisions taken by individuals, groups or government departments. This is indeed unjust and a practice which should be discouraged rather than encouraged.

• (4:40 p.m.)

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I should like to commend the hon. member for Kent-Essex (Mr. Danforth) for implying that the government is looking to the future in proposing this legislation. It should be drawn to his attention and to the attention of the hon. member for Saskatoon-Biggar (Mr. Gleave) that prior to the introduction of this act there was no provision at all under which compensation could be provided to a farmer who suffered a loss as a result of the use of pesticides. Furthermore, while some compensation is paid under other measures, there is no appeal at all against the

decision of the department, or the minister, if you like. Whatever is decided, there is at present no appeal against that decision. We are now providing for an appeal to an assessor. It seems to me that both hon. gentlemen missed the point completely in that they did not refer to clause 11 of the bill, which provides:

> The Governor in Council may, from among the judges of the Exchequer Court of Canada and the superior courts of the provinces, appoint an assessor and such number of deputy assessors as he considers necessary to hear and determine appeals from compensation awards made under this act or under any other act to which this part is made applicable, and, subject to the provisions of this act, may prescribe their jurisdiction.

I think I should draw that clause to the attention of the house. Therefore, the assessors will be members of the Exchequer Court of Canada or the superior courts of the provinces. Surely, the hon. gentlemen missed the point completely when they said an appeal will not be heard by people who are competent in the courts, because this is the place from which the assessors will come. This is provided for in clause 11. As a matter of policy, we feel that inasmuch as appeals are to be heard by superior court judges—

Mr. Gleave: Mr. Speaker, I would like to—

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Saskatoon-Biggar (Mr. Gleave) has risen to ask a question.

Mr. Gleave: Mr. Speaker, I merely wish to point out, if I may, that in my speech I did say an appeal would be heard by a judge.

The Acting Speaker (Mr. Béchard): Order.

Mr. Olson: As I was saying, Mr. Speaker, as a matter of policy we feel that inasmuch as appeals are to be heard by a superior court judge appointed as an assessor to hear matters within very clearly defined and limited terms of reference, his decision should be final and conclusive to prevent the prolonging of proceedings.

What we are talking about here in so far as appeals are concerned is the rate of compensation. The maximum and the minimum will be set by order in council, not by the department. The appeal would be to an assessor who would be a judge of the Exchequer Court of Canada or of the superior courts of the provinces. These judges will hear appeals with regard to the amount of the assessment within the minimum and maximum set by order in council. I think it would be superfluous to have further appeals from decisions of these judges because, as I have said, they will be taken from the superior courts.

The Acting Speaker (Mr. Béchard): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Béchard): All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Béchard): Those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Béchard): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Béchard): Call in the members.

The house divided on the amendment (Mr. Gleave), which was negatived on the following division:

YEAS

Messrs:

Aiken	Latulippe
Alkenbrack	MacDonald (Egmont)
Asselin	MacEwan
Baldwin	MacInnis (Cape Breton-East Richmond)
Beaudoin	MacInnis (Mrs.) (Vancouver-Kingsway)
Bell	MacLean
Benjamin	Macquarrie
Brewin	MacRae
Burton	McCutcheon
Cadieu (Meadow-Lake)	McGrath
Carter	McIntosh
Coates	McQuaid
Code	Monteith
Crouse	Moore (Wetaskiwin)
Danforth	Muir (Cape Breton-The Sydneys)
Diefenbaker	Muir (Lisgar)
Dionne	Noble
Downey	Peddle
Fairweather	Peters
Fortin	Ricard
Gilbert	Ritchie
Gleave	Rodrigue
Godin	Rondeau
Grills	Schreyer
Hales	Scott
Harding	Skoberg
Harkness	Southam
Horner	Stewart (Marquette)
Howard (Skeena)	Thomas (Moncton)
Howe	Thompson (Red Deer)
Knowles (Norfolk-Haldimand)	Thomson (Battleford-Kindersley)
Knowles (Winnipeg North Centre)	Winch
Korchinski	Woolliams—68.
Lambert (Bellechasse)	
Laprise	

Division

NAYS

Messrs:

Allmand
Badanai
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Breau
Buchanan
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Douglas
Drury
Dubé
Duquet
Émard
Forest
Foster
Gendron
Gervais
Gibson
Gillespie
Goode
Gray
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Kierans
Lachance
Laflamme
Laing (Vancouver South)
Langlois
Laniel
Leblanc (Laurier)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Marceau
Marchand (Kamloops-Cariboo)
Munro
Murphy
Noël
Olson
Otto
Penner
Pilon
Portelance
Pringle
Prud'homme
Richardson
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudel
Turner (London East)
Watson
Weatherhead
Whelan
Whiting
Yanakis—101.

• (5:00 p.m.)

The house divided on the amendment (Mr. Gleave) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Asselin
Baldwin
Beaudoin
Bell
Benjamin
Brewin
Burton
Cadieu (Meadow-Lake)
Carter
Coates
Code
Crouse
Danforth
Diefenbaker
Dionne
Downey
Fairweather
Fortin
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Laprise
Latulippe
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Vancouver-Kingsway)
MacLean
Macquarrie
MacRae
McCutcheon
McGrath
McIntosh
McQuaid
Monteith
Moore (Wetaskiwin)
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Noble
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Schreyer
Scott
Skoberg
Southam
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Winch
Woolliams—68.

NAYS

Messrs:

Allmand
Badanai
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Breau
Buchanan
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Douglas
Drury
Dubé
Duquet
Émard
Forest
Foster
Gendron
Gervais
Gibson
Gillespie
Goode
Gray
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Kierans
Lachance
Laflamme
Laing (Vancouver South)
Langlois
Laniel
Leblanc (Laurier)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Marceau
Marchand (Kamloops-Cariboo)
Munro
Murphy
Noël
Olson
Otto
Penner
Pilon
Portelance
Pringle
Prud'homme
Richardson
Roy (Timmins)
Roy (Laval)
Serré

[The Acting Speaker (Mr. Béchard).]

Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudel
Turner (London East)
Watson
Weatherhead
Whelan
Whiting
Yanakis—101.

• (5:10 p.m.)

Hon. H. A. Olson (Minister of Agriculture) moved:

That Bill C-155, to provide compensation to farmers whose agricultural products are contaminated by pesticide residue, and to provide for appeals from compensation awards, as reported (without amendment) from the Standing Committee on Agriculture on Wednesday, January 29, 1969 be concurred in.

Motion (for concurrence) agreed to.

Mr. Speaker: When shall the said bill be read the third time? Next sitting of the house.

AGRICULTURE

PREVENTION OF INTRODUCTION OR SPREAD OF PLANT PESTS—REPORT STAGE

The house proceeded to the consideration of Bill C-154, to prevent the introduction or spreading of pests injurious to plants, as reported (with an amendment) from the Standing Committee on Agriculture.

Mr. A. P. Gleave (Saskatoon-Biggar) moved:

That clause 11 of the said bill be amended by deleting from line 12 the words "or a justice".

He said: Mr. Speaker, I move the deletion of these particular words from the bill mainly because I was unable to get real clarification in the committee of what is involved here. I asked whether "justice" referred to a justice of the peace, and from the information I was given I understood it did refer to a justice of the peace.

I fail to see, in the circumstances in which we in Canada are living, why an information laid under this act should come before a justice of the peace for hearing. Clause 11 provides that:

A complaint or information in respect of an offence under this act may be heard, tried or determined by a magistrate or a justice if the accused is resident or carrying on business within his territorial jurisdiction, although the matter of the complaint or information did not arise in that territorial jurisdiction.

I want to point out to the house the scope of this matter. In a recent issue of *Country Guide* it is pointed out that there are five counties in the province of Ontario which restrict movement of certain farm products and agricultural materials from one area to another. It is necessary to control the movement of such materials because they might carry the residues of certain plant pests.

In view of the wide application of this provision, I think that any person who is charged and tried under this act should appear before a competent justice or magistrate. I think the act should be crystal clear in stating that no individual should be brought for trial before a justice of the peace, who may or may not have a knowledge of the law. If we were back in the horse and buggy days when there might have been a problem connected with appearing before a fully trained and competent judge, then I could see the reason for this provision. The information I have is that in the province of Saskatchewan alone there are well over 500 justices of the peace. There is one in the market town in which I live. At the same time there is a circuit judge or magistrate who periodically comes to the town so that offenders against the law can be brought before him.

The reason I move the amendment is that I think offenders under this act should be brought before such a judge, and that the act should clearly say so. At the moment, it does not. If I may quote from the proceedings of the committee on January 28, as reported at page 426, the counsel for the Department of Agriculture said:

Mr. Chairman, there seems to have been a problem in the construction of clause 11. By using the words "magistrate or justice" it would seem that this would give jurisdiction to a justice to hear a charge laid under a clause of this bill or the regulations.

If that is so, then the question becomes one of definition: who is a justice? In asking that question in the committee I was given the clear understanding that a justice could be a justice of the peace, and as I say such a justice is not necessarily informed in the law. The report goes on:

It is possible—

The report says "Is it possible" but it must be "It is possible".

—that if the accused elects to have his case heard by a higher tribunal, the higher tribunal would have jurisdiction, but that would only be in the cases where there was procedure by way of indictment.

• (5:20 p.m.)

As I said previously, I am not trained in the law, but I think this matter ought to be

clarified. Where any person is charged under the provisions of the bill we ought to make certain that he is dealt with by a properly constituted court of law, by people competent to hear the charge against him. The person charged ought to be informed of his rights. If a person who is brought before a justice of the peace suffers a miscarriage of justice for one reason or another, he must appeal to a higher court at added cost. I do not think many will be charged under the provisions of this bill. If they are, it will be because they have acted inadvisedly rather than criminally. I say again, before passing this bill we must make certain that a charge against an individual or a company is brought in a properly constituted court of law in Canada. I need say no more. That was the purpose in moving my amendment.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, it is the desire of the government, too, that all cases shall be heard before a proper court. The words the hon. member seeks to delete, "or a justice" are standard and found in many federal statutes. Clause 11, which the hon. member seeks to amend, confers territorial jurisdiction on a magistrate or justice of the peace to hear proceedings in respect of offences under a statute. If the proposed amendment to clause 11 carries, the resulting situation would be that only a magistrate would have jurisdiction to deal with offences under the act. As a practical matter, in most areas of Canada such offences would be tried by a magistrate, in any event. However, there are certain areas in the country where a magistrate with jurisdiction is not always available and a justice of the peace would be the only person who could hear proceedings. If clause 11 were amended and the jurisdiction of the justice of the peace deleted a situation could arise where no magistrate would be available to deal with offences under the act. It should be noted, in any case, that where a justice of the peace—

The Acting Speaker (Mr. Béchard): Order, please. Is the hon. member rising on a point of order?

Mr. Gleave: Will the minister permit a question? In what areas of Canada would a magistrate not be available?

Mr. Olson: May I answer the question after I have finished my explanation as to why we need clause 11 the way it is. May I proceed from where I left off, Mr. Speaker? It should be noted that, in any case, where a justice of the peace deals with proceedings against an

[Mr. Gleave.]

accused, the provisions of the Criminal Code respecting appeals from and review of such proceedings would be applicable to safeguard the rights of the accused. At the present time there is no indication that such provisions in existing acts are producing unjust or harmful effects. Therefore, the hon. gentleman here is asking us to change normal procedures. They are procedures which have their root in the Department of Justice. This is not the proper time for the hon. gentleman to bring forward his amendment. I do not question his right to try to move the amendment; nevertheless, since it seems that he is complaining about the way courts may handle offences, his remarks ought to be addressed to the Department of Justice. For those reasons, I cannot accept the amendment.

Some hon. Members: Question.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: No.

The Acting Speaker (Mr. Béchard): All those in favour of the amendment will please say, yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Béchard): All those opposed will please say, nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Béchard): In my opinion, the nays have it.

Mr. Knowles (Winnipeg North Centre): On division.

The Acting Speaker (Mr. Béchard): I declare the motion lost, on division.

Amendment (Mr. Gleave) negatived on division.

Hon. H. A. Olson (Minister of Agriculture) moved:

That Bill C-154, an act to prevent the introduction or spreading of pests injurious to plants, as reported (with an amendment) from the Standing Committee on Agriculture, on Wednesday, January 29, 1969 be concurred in.

Motion (for concurrence) agreed to.

The Acting Speaker (Mr. Béchard): When shall this bill read the third time?

Mr. Knowles (Winnipeg North Centre): At the next sitting of the house.

CRIMINAL CODE

The house resumed from Tuesday, February 11, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-150, 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, the Customs Tariff and the National Defence Act, be read a second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to know who pulled the fuse last night. It would have been easier for me to finish my speech last night. Still, I suppose there are sneaky people in all walks of life and they may not appreciate that what some take seriously is really a matter of philosophy.

Last night I spoke about abortion, endorsing the idea that later we shall put forward an amendment which would remove the abortion section from the Criminal Code. I support the idea for these reasons: I do not believe that three months after conception the foetus is alive in the sense of being a human being. During that period an abortion ought to be treated as any other medical problem is treated. A woman seeking an abortion ought to be viewed by a doctor as he would view a woman seeking to have her tonsils out. The decision to perform the abortion rests entirely with the medical practitioner, who may or may not be willing to perform it. Of course, he may or may not be willing to take a woman's tonsils out or to remove her appendix. That is entirely up to him. The doctor, of course, must decide whether the woman seeking an abortion has a medical problem.

I wonder where our medical practitioners have obtained statistics showing that in a population of 5 million people—I presume these are people with children—half a million abortions a year can be expected. There are those who, for religious reasons, do not think the abortion section should be removed from the Criminal Code. I suggest, if they are honest members of parliament, honest with themselves and the society they live in, they will concede that their religious convictions are forcing them into a position which is out of touch with the realities in our society and which, in the final analysis, contravenes the concepts of their religion. They have an obligation to give some consideration to this matter. If they do so, I believe many of them will eventually support the removal of the abortion section.

• (5:30 p.m.)

I also spoke about the problem of homosexuality, and said the government was making a sincere effort to remove from the Criminal Code the sections concerning homosexuality and substitute the right for two consenting adults to engage in homosexual practices. This is a step that has been taken by most modern societies. Our proposals stem from the Wolfenden report in England, and the legislation in that country based on that report has served it well.

I have been asked about some statistics I used. I hasten to say I may not have been misquoted but I certainly left the wrong impression if I said that ten per cent of the population in Ottawa is made up of homosexuals. I think some sections of our population might reach that level, and I leave it up to hon. members to ascertain for themselves where that might be. However, I would like to quote several statistics because the question has been asked, is this only true of Ottawa. I would like to quote from an article by a Toronto *Telegram* staff reporter, entitled "Society and the Homosexual". A lot of the information contained in it is based on evidence produced by Dr. K. G. Gray, professor of Forensic Psychiatry at the University of Toronto, one of the outstanding authorities in this field. The article begins:

> Indoors, outdoors and all around the town certain citizens live with an eye on the law and a mind on sexual practices that commit them to a shadow world.
>
> It's the world of the homosexual.
>
> The Toronto Forensic Clinic—to which psychiatric cases are referred by the courts—believes there are 15,000 active male homosexuals in the metropolitan area alone, plus another 150,000 who are latent or bi-sexual.
>
> This deviate population is swelled by 6,000 lesbians and 30,000 other women who live outwardly heterosexual lives but are sporadic or latent homosexuals.

This is a subject that deserves some consideration. Now, I wish to quote from another part of the article where, in reference to the John Howard Society, the author wrote:

> The society told me: Depending on the size of the prison, homosexuality can run anywhere from 80 to 40 per cent.

The homosexual problem in our prisons is a very large one. Over the years I have been making recommendations that prisoners be allowed conjugal visits with their wives and

families. If we were not as backward looking in our society, this is a step that we would take. Countries like Mexico allow conjugal visits in prison, not as we might allow them in Canada on the basis of a reward, but as a right. There are few things a Mexican prisoner can do that will result in his losing that right.

The question is then asked, well, what do we do for single prisoners. This is something that would have to be considered seriously, but I have no objection to prostitutes being used in prisons if this does not offend their sensitivities. Society should do something to prevent people leaving prisons as latent homosexuals. Anyone who buries his head in the sand and says that nothing can be done to cope with this problem in prisons is not aware of the families that have suffered or the broken homes that have resulted after prisoners have been released.

At the very least we should have a system whereby prisoners are let out for weekends for a number of months before their sentence is up. In that way they can adjust to living with their families again. Just imagine the problem it is for a man to leave a prison after being a homosexual for ten years or even five years, and then have to live with his wife and family. These people are not homosexual in the true sense of the word. They are bi-sexual.

Any element of society closely contained within itself, such as boys' schools, seminaries, and the navy, where men are kept in constant close proximity, sees the development of many bi-sexuals. I think we should consider this problem and be far-sighted enough to try and solve it in our penitentiaries. Under these amendments to the Criminal Code provision is being made to eliminate some of the problems encountered by persons serving penitentiary sentences. I believe this is another problem that the Prime Minister (Mr. Trudeau) should consider as the proponent of a just society, particularly if he is really interested in reclaiming those who are not normal in our present society.

Earlier today somebody asked me, why do things happen such as happened in Montreal just yesterday. The simple answer is that these things happen now because a large number of people are not able to exercise their bent in other directions. The young people leading many of the violent rebellions nowadays are the same young people we

pinned all the medals on 25 years ago. They are the ones who captured the trench when no one else was willing to put his head out. They are the ones who flew airplanes and shot down a number of hostile aircraft. These are the people with whom we are now having trouble.

While there are many things in this bill that are worthwhile, I repeat that there are many things not included in it. Last night I picked up the paper and read of 15 or 20 offences in the city of Toronto which the R.C.M.P. were prosecuting. These cases involved marijuana. Marijuana is not a narcotic. There was an awful fuss when it was first put on the world narcotic list because some countries did not believe it was a narcotic. But countries that produced cocaine and heroin said that if marijuana were not included, they would not sign the international accord.

Very little research has been done on marijuana. I would venture to say that in most cases it is not as dangerous as alcohol. It is less dangerous than L.S.D., and it is probably not much more dangerous than smoking tobacco. The world looks pretty grim until one has a first cigarette and then it looks better. I know some housewives who find that the world looks pretty bad in the morning. I will not say that they should be kicked out of bed, but I do know that sometimes it is very difficult to talk to them until they have that first cup of coffee. This is also a drug. Caffein is a very serious problem now. Anyone who has a heart condition knows the effect of caffein. Marijuana also has its effects; there is no question about that, but we have done very little work on this. Yet we have the R.C.M.P. chasing the high school kids. I am told that in some of the high schools 40 per cent or 50 per cent of the children use marijuana. I have discussed this with the kids, and I am not at all sure the percentage is that high. The children can tell you who is pushing it. Yet the R.C.M.P. run around and therefore the kids who otherwise would not touch it want to try it. I tried it years ago, and in my opinion it is a very bad smoke. It tastes terrible. It has a very bitter smell, and is not worth the price.

• (5:40 p.m.)

I am told that one must smoke marijuana for a while before it tastes better. It is pretty bad. It is worse than some of the brands of cigarettes I could name. The reason many

kids are taking marijuana today is that the pushers are adding heroin to it. This is being done in my riding. The pushers give the kids the cigarette and sometimes these kids do become hooked on marijuana because of the additives. This is the field to which we should be paying attention. I am not suggesting how we should handle this. But I suggest that we allow the sale of marijuana at cost. I remember a few years ago when the Indians on a reservation decided to grow about 16 acres of marijuana. It took the Mounties two weeks to get rid of that with a scythe. I am not sure why the Indians grew it. Maybe they did not know what it was. Perhaps we should encourage some farmers to grow marijuana, purify it and sell it.

I think we should examine this whole subject. It is not good enough to continue following a report of 40 or 50 years ago when by some kind of agreement marijuana was included with narcotics. There are many things which should be written into this bill. In closing, I should like to suggest that members of the house continue to bring forward private members' bills. The government is not brave; it is the individual members who must be brave. I can think back to a bill I had drafted along the lines of the Wolfenden report on the matter of homosexuality. I had to wait until there was an atmosphere of public opinion about this matter before I could introduce that bill; otherwise I would have been crucified. That time never came. There was not an opportunity to consider it. I had no intention of introducing it without some feeling. It would be necessary to have public support and interest before such a bill could be introduced.

It is necessary that there be some kind of public attention or some kind of vehicle by which members can bring forward bills in the social field. I hope that private members will continue to bring forward their ideas on such matters as wiretapping, safety factors in respect of automobiles and so on. Sometimes these things in themselves are not popular but the situation changes when the matter is discussed by the news media. I give great credit to the news media for the work they have done over the years. I remember articles which have been published over the years, particularly by papers such as the Vancouver *Sun*. I remember the studies the Vancouver *Sun* made into the matter of conjugal visits to penitentiaries, and a great deal of money was spent to obtain reports in this field. This newspaper did a great deal of work in informing the people in its area about this matter.

The Acting Speaker (Mr. Béchard): Order. I regret to advise the hon. member that his time has expired.

Some hon. Members: Continue.

The Acting Speaker (Mr. Béchard): Does the hon. member have the unanimous consent of the house to continue?

Some hon. Members: Agreed.

Mr. Peters: Mr. Speaker, I do not wish to take up too much time. I should like to say that this matter of developing ideas is very important. I am sure every member in this house has a thought or an idea about something which he considers is not right in our society. In a just society, we must not depend on one man. His environment is somewhat limited, as is everyone's environment. I would hope that hon. members would bring forward new ideas and, if they are not dogmatic in their discussion of these ideas, very shortly the public will begin to collectively bring forward new ideas. After the Minister of Justice (Mr. Turner) has had time to consider the position of the amendments he has made, and the argument put forward by hon. members on all sides of the house, I am sure he will bring forward regularly and periodically new amendments to the Criminal Code that will eventually make Canada one of the foremost countries in the world in respect of our treatment of our people and the creation of a just society.

[*Translation*]

Mr. Henri Latulippe (Compton): Mr. Speaker, I am glad to speak on the bill under consideration.

Mr. Speaker, we have not seen a bill presented in such a bad way for a long time. As a matter of fact, it contains fifteen or so various clauses which should be studied separately. They were all thrown together in the same bag to make us pass as a package deal a most important piece of legislation, since it deals, inter alia, with abortion and lotteries.

Some hon. members object to abortion, while others agree to that part of the bill related to lotteries. It is therefore quite difficult to vote on a measure made up of such unrelated matters.

That is why I ask the minister concerned to divide the bill so that every hon. member may cast a free vote.

I ask for a free vote for all hon. members, because I know very well that some members of the government are not too favourable to the adoption of this bill and would like to vote according to their own conscience. We are asking it also in the interest of the people of Canada.

The bill now before us is of the utmost importance. Some of the subjects it deals with are very important because they are related to the very substance of the nation and because human rights are at stake.

When one wants to speak about a subject as complex and serious as divorce, one must be fully aware of the facts.

• (5:50 p.m.)

If we want to get a wholesome society, its components must be wholesome too.

In my opinion, on introducing a bill such as this one, unless we take into account the very essence of life or the technical or moral sense of the bill, we cannot take an outright and sincere decision.

Once more, the society that we advocate must be wholesome, and those who legislate must be well aware of it. However, the legislation that is being considered has a very great importance whatever some hon. members may say.

It seems as if some people think that this is not important, but the survival or the disappearance of society in general is at stake.

This is what our discussion is about and we have to come to a decision. We must speak our minds, according to our conscience in the light of our Christian moral principles.

Man needs a number of specific and concrete liberties which will give him the means of controlling his destiny. These are the freedom of action, freedom to go wherever he wants, not only within his country but abroad as well to live with his fellow human beings.

It is also the freedom of thought, of expression, of writing, of publishing, of assembly, of discussion with this fellow-men, of choice of school, occupation, place of abode, work and even of mate.

Anything that is imposed in these fields affects adversely human respect and brings into society a factor of disorder. The use of these freedoms is limited not in the use of freedom by somebody else, but by the obedience of all to a common rule: respect for man.

Among the nations, some are small, others are old, weak, powerful, wise or unruly. However, each one is entitled to respect, for in its own way, it is necessary to humanity.

As in the case of individuals, Mr. Speaker, each nation aspires to a comfortable life and to expansion according to its own vocation and characteristics. To govern is to provide, to think and to act. For the government of a nation, the necessary uniformity of thought and action cannot be realized by one mind. Under certain circumstances, the government of a nation could be the responsibility of one individual. On the other hand, the right to legislate is the responsibility of several individuals.

We are, at the present time, in the process of legislating and enacting legislation which will result in serious consequences for the future of society. Legislation is the result of a considerable number of actions and reactions between the requirements of the nation and those of its citizens. It involves lengthy studies, confrontations and syntheses which must be weighed and compared. Consequences of legislation must be foreseen and this necessitates team work. Our parliamentary team must adopt legislation, look forward to the future, take decisions and stimulate the development of the entire nation.

Enacting legislation is the responsibility of experts indeed, provided they are legal experts and professionals. Evidently, the legislative body is guided by those in professional and technical fields.

Legislation must be enacted according to characteristics of environment and must reflect the image of society. In fact, society is not only a consensus of lawyers; it represents all types of organizations. In short, it represents all the fields of activities or the whole of the concentrated bodies of the country.

In modern society, the state tends to regulate and govern everything. As a tidal wave, it is invading every field of public and private activities. It goes so far as to penetrate the minds in order to influence, to compel and to destroy them. It leads the way to paralyzing and stifling legislation.

May I call it six o'clock, Mr. Speaker.

[*English*]

BUSINESS OF THE HOUSE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I should like to confirm the business of the house for tomorrow. It is our intention to call again the matter that we are dealing with at the moment, item 40, the omnibus Criminal Code bill. I think there is a general understanding that if this should reach a culmination tomorrow the house will not expect the Minister of Justice to reply but rather that he will make a statement to the committee and perhaps during the later stages of consideration in the house.

Let me also indicate to the house that on Friday, though this is subject to further confirmation, we will call item 25, Bill C-138, an act to amend the Bretton Woods Agreement which was reported today, the evidence on which I believe is now in the hands of hon. members.

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

HOUSE OF COMMONS

Thursday, February 13, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

Third report of the standing committee on Privileges and Elections—Mr. Laflamme.

[*English*]

Fifth report of the standing committee on agriculture—Mr. Beer.

[*Editor's Note: For Reports above referred to, see Votes and Proceedings.*]

DOMINION-PROVINCIAL CONFERENCE

AGREEMENT TO HOUSE DEBATE ON FRIDAY, FEBRUARY 14

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I have made a proposal, and I believe there is general agreement, with it, that the house should have an opportunity tomorrow to discuss the federal-provincial conference which was held earlier this week. Accordingly, I want to propose, if the house is agreeable, that tomorrow under government orders the Prime Minister might move a motion that the house adjourn. My suggestion is that this motion would be debatable, that all speeches except those of the Prime Minister and the Leader of the Opposition be limited to 20 minutes, that the private members hour be suspended and that unless the motion has been disposed of earlier it shall be deemed to have been adopted at 5 p.m. If the house is agreeable perhaps an order could be made to this effect.

Mr. G. W. Baldwin (Peace River): I do think this is a good idea, Mr. Speaker. While the government brass were away the house made very substantial progress, so that there is now very little work left on the order paper. We might have thought the government would require a week to defend its position and sort out its various stands, but we are prepared to go ahead with this debate tomorrow.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is correct that there was an agreement this morning as to the general principle of this proposal, but there is one detail in the actual motion which I hope the government house leader will agree to alter. I refer to the 20 minute limit in so far as it affects the first speakers of the third and fourth parties in the house. I hope the government house leader will agree that the first speaker of the two parties in this part of the house be granted 40 minutes, while the rest would be limited to 20 minutes.

Mr. Macdonald (Rosedale): I would be quite agreeable to that suggestion, Mr. Speaker.

Mr. Speaker: Is the proposal submitted to the house by the President of the Privy Council, subsequently amended as to the time to be allotted to those participating in the debate, concurred in?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

LABOUR CONDITIONS

TABLING OF I.L.O. RECOMMENDATION RESPECTING AGRICULTURAL WORKERS

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I should like to table a document in English and in French. Omitting the usual remarks that go with tabling of documents, I should like to describe the document. It contains a recommendation adopted by the conference of the I.L.O. at its 52nd session last year to continue recommendation 132 concerning the improvement of conditions of life and work of tenants, share-croppers and similar categories of agricultural workers.

• (2:10 p.m.)

I also table the document from the Department of Justice commenting on whether this recommendation falls entirely within the federal field, the provincial field, or partly in both fields.

Mr. Baldwin: Why didn't you put it on the agenda?

Inquiries of the Ministry

POST OFFICE DEPARTMENT

REPORT OF MR. JUSTICE ANDRÉ MONTPETIT ON WORKING CONDITIONS

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, pursuant to section 2 of Standing Order 41, I wish to table a report from Mr. Justice André Montpetit with respect to environmental and physical working conditions directly related to matters in the Post Office Department.

[*Translation*]

It is with great pleasure that I table these documents in both French and English.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed Bill C-162, an act to amend the Prairie Grain Advance Payments Act, without any amendment.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that a communication has been received which is as follows:

Government House,
Ottawa, 13 February, 1969

Sir,

I have the honour to inform you that the Right Hon. J. R. Cartwright, P.C., M.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 13th February, at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the Governor General.

ORAL QUESTION PERIOD

CANADIAN CONSTITUTION

REFERENCE TO COMMITTEE OF PROPOSALS FOR REVISION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister whether the government subjects which concern the powers of parliamentary committee to examine and discuss the proposals now being put forward for constitutional revision. I ask this question particularly in view of the fact that a number of subjects which concern the powers of parliament, the relationship between the houses of parliament, and the structure of government in Canada are now being actively discussed and it would seem appropriate to provide some mechanism for these matters to be discussed and examined in parliament.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the government would be prepared to consider this request, although perhaps after tomorrow's debate we might have a better idea of the utility of setting up such a committee. I would be prepared to consider it then, perhaps with a view to setting specific subjects of constitutional relevance in front of a committee. Once again, I think it would be untimely to put the whole constitutional question before a committee, but I believe the Leader of the Opposition is suggesting certain governmental positions. We could take them one by one. I would not be averse to such an idea at this time, but I would prefer to make a decision after we have heard the debate tomorrow.

Mr. David Lewis (York South): Mr. Speaker, I have one or two related questions to address to the right hon. Prime Minister. First, would the Prime Minister consider not only setting up a parliamentary committee here, but also discussing with the premiers and prime ministers of the provinces the desirability of having parliamentary committees across the country so that when the next constitutional conference is held the premiers will speak for all sides in their legislatures, and the Prime Minister will speak for all sides in this parliament. I am not suggesting he interfere with the provinces, but I am asking whether he would consult with them about this kind of procedure for the constitutional revision.

Mr. Diefenbaker: It is not a very good principle.

Mr. Trudeau: I think I am inclined to agree with the right hon. member for Prince Albert. I would hope that this question may be raised in the various legislatures across the country. I do not think I would venture to answer the question, but I can say that if we do set up a parliamentary committee it would I suppose, deal in part with subjects which are of provincial and federal interest; the question might then arise as to whether we are interfering in provincial affairs. I hope that this would not be the interpretation and that such a committee could, if necessary, travel across the country. It is a delicate subject and might require the kind of consultation which the leader of the New Democratic party is suggesting.

DOMINION-PROVINCIAL RELATIONS

SHARED-COST PROGRAMS—CONSULTATION WITH PROVINCES BEFORE WITHDRAWAL

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker, with regard to the federal-provincial conference. I ask the question for greater clarification. In view of the representations made by the premiers and the comment made by the Prime Minister, is it correct to say that it is now the intention of the federal government not to make decisions regarding withdrawal from shared-cost programs without meaningful consultation and discussion with the provinces in advance? Would this be a fair statement of the government's position?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker. On this subject we have taken the view that if yesterday the federal government had undertaken to make any such clear-cut promises it would in effect have been amending the constitution, perhaps without the legal power to do so. We do not want to take the position that the federal government spending power could be limited just by a promise made by the Prime Minister of Canada to the assembled provincial premiers. Therefore the whole question of the spending power is open for debate. It is a very important aspect of the constitution, and we have repeatedly suggested that the premiers and the prime ministers of the provinces address themselves to this question. There will be an on-going study of the question of the spending power and whether it should be limited.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. Does the Prime Minister regard it as a limitation on the spending power to undertake meaningful consultation before a federal decision is made, and does the answer that he gave me with regard to the withdrawal from shared cost proposals also concern the adoption of new programs? In other words, am I to understand that the government is giving no assurance that meaningful consultations would take place with the provinces before any new programs are undertaken involving action by the provinces within the field of provincial jurisdiction?

Mr. Trudeau: That is really begging the question. I repeat that as a matter of government policy we believe in consultation in all the concrete instances which were debated, especially the topic of medicare, on which there had been a great deal of consultation. For that reason I do not want to say that the government will refuse to exercise its constitutional rights to use its spending power in the ways it sees fit. I repeat, however, that as a matter of policy I believe in consultation and emphasize that the government has practised it. But I do not want to imply that the federal spending power can only be exercised after a certain form of consultation which is, say, acceptable to the provinces, to a majority of them or to all of them. The policy again is in the direction—please go ahead, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Andrew Brewin (Greenwood): I should like to ask the Prime Minister through you, Mr. Speaker, whether in view of the central importance in constitutional matters of the exercise of the spending power of the federal parliament, this will be one of the specific subjects which may be referred to the special committee of this parliament to be set up to consider these matters generally?

Mr. Trudeau: I would say that this might eventually be one of the specific subjects, Mr. Speaker, but it will not be one of the earlier subjects for discussion because it is not one which has as yet been studied by the continuing committee of officials, and in regard to which the provincial governments have submitted propositions. We would prefer to deal with matters which have already been studied by those concerned.

Mr. G. W. Baldwin (Peace River): Is it then the view of the Prime Minister that a condition precedent to the consideration of these important issues by parliament is that they must first be canvassed and dealt with by experts?

Mr. Trudeau: We believe it is useful to have experts explore these subjects, delineate their specific areas and submit possible solutions to the federal and provincial governments in order that they may have an easier task in making up their minds as between various alternatives.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question for the Prime Minister.

Inquiries of the Ministry

Following the constitutional conference which ended yesterday, does the federal government still intend to withdraw from all joint programs with the provinces, and was this question raised during the discussions?

Mr. Trudeau: Indeed this question was raised, Mr. Speaker, and I indicated that as long as the constitutional question is not dealt with and a specific definition of the spending power in this field given, it would be difficult to make any definite promises.

We want to know what joint programs should be considered under federal jurisdiction, and which ones should not.

[*English*]

INQUIRY AS TO POSSIBLE ABANDONMENT OF MEDICARE

Mr. David Lewis (York South): I have a supplementary question, Mr. Speaker. In view of some of the exchanges that have taken place at the constitutional conference, would the Prime Minister be ready to give an assurance to this house that the medicare program will not be abandoned as a result of these discussions?

Mr. Woolliams: It does not matter what it costs.

Right Hon. P.-E. Trudeau (Prime Minister): I think that the only concession the government was prepared to make on medicare—which I stated openly at the conference—was that if the ten provinces could agree among themselves that medicare should not be implemented, it would not be.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Gérard Loiselle (Parliamentary Secretary to the Minister of Manpower and Immigration): This is not a supplementary question, Mr. Speaker, but it is vaguely related to the federal-provincial conference. I would like to ask the Prime Minister if he knows that last night, at the Montreal Forum, the House of Commons team beat the Quebec National Assembly team 8 to 1?

[*English*]

An hon. Member: Who were the three stars?

Some hon. Members: Oh, oh.

[Mr. Caouette.]

TRANSPORT

POSSIBLE ABANDONMENT OF NORTHUMBERLAND CAUSEWAY

Mr. David MacDonald (Egmont): I have a question with reference to the statement made at the conference yesterday by the premier of Prince Edward Island concerning the possible abandonment of the Northumberland Strait crossing, and the need for a full statement by the Prime Minister on the financial implications of continuing the ferry service, as compared with the cost of constructing a causeway. Would the Prime Minister be prepared to make a statement on motions explaining to the Canadian people the implications of either of these possible decisions?

Right Hon. P.-E. Trudeau (Prime Minister): Either I or one of my colleagues will make a statement on this subject in the near future.

Some hon. Members: When?

HOUSE OF COMMONS

TELEVISING OF HOUSE AND COMMITTEE PROCEEDINGS

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the Prime Minister. In the light of the apparent success of the televising of the dominion-provincial conference, at least as far as some of the participants are concerned, may I ask the Prime Minister whether he is reconsidering the question of televising proceedings of the House of Commons, perhaps starting with committees?

GRAIN

WHEAT—CONSIDERATION OF TWO-PRICE SYSTEM

Right Hon. J. G. Diefenbaker (Prince Albert): I should like to ask the Minister of Agriculture whether in view of the resolutions passed by the three western pools and also by the farm organizations in the west in favour of the two price system for wheat, reconsideration has been given to this question, having regard to his support of this proposition during the many years in which he sat on this side of the house, and the fact that it was included among undertakings given in two Liberal election campaigns.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, as the right hon. gentleman knows, the debate respecting a two price system for wheat has been going on for many

years, indeed during those years when he occupied the office of Prime Minister.

Mr. Diefenbaker: No, not at all.

Mr. Olson: I have been advised of some of the resolutions that have been passed by western farm organizations recently, but not the one to which my right hon. friend referred. However, I should advise him that this government is willing to consider good ideas at any time.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege arising out of the observation on the part of the minister in regard to the continuance of propaganda in relation to a two price system, when I was Prime Minister the western farmer was properly treated.

Mr. Speaker: Order, please. This seems to me to be a debate between the Minister of Agriculture and the right hon. member for Prince Albert. I have to rule that there is no question of privilege.

IMMIGRATION

REFUSAL OF ENTRY TO U.S. DRAFT DODGERS—VIOLENCE AT SIR GEORGE WILLIAMS AND OTHER UNIVERSITIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. Is the government following a policy of refusing entry and landed immigrant status to United States draft dodgers and armed forces deserters?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the policy of the government on draft dodgers, or draft evaders or resisters, or whatever term you wish to employ, is unchanged. This does not enter into consideration in the admissibility of such persons in to Canada.

Mr. Orlikow: A supplementary question, Mr. Speaker. In light of his reply I should like to ask the minister whether he would investigate charges that are made by a large number of people who are interested in the problem, namely that Canadian immigration officers are co-operating with United States immigration officials so as to get around this policy of the government?

Mr. MacEachen: Mr. Speaker, I think my hon. friend is referring to a different category of persons, namely military deserters. In these situations the immigration officials have certain discretion in regard to that particular group of persons, and others who have substantial obligations in their country of origin.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker, and I think it is a proper one because it deals with the same problem of Americans coming into Canada. In view of the present crisis which seems to be apparent in our universities, would the government consider setting up a committee of the Senate and House of Commons to investigate the department of immigration in order to ascertain why we permit a large percentage of foreigners to come into Canada, particularly from the United States, and cause trouble in our universities, thus costing taxpayers of Canada large sums of money?

Mr. MacEachen: Mr. Speaker, persons who have entered Canada as students have entered the country under the regulations, and under the law and the policy of the government. In due course the estimates of this department will be before the committee, and this would be an opportunity to consider such matters. Certainly I would welcome the views of members of parliament on any such question.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would like to direct a supplementary question to the Minister of Justice.

Could he tell the house whether the police force of Montreal has communicated with his department and whether his department is ready to issue a deportation order should some of those individuals be found guilty?

Mr. Speaker: The second question is, of course, hypothetical. Could the minister answer the first one?

[*English*]

Mr. MacEachen: Mr. Speaker, the situation is very complicated because it is not known exactly what the results of this unfortunate occurrence will be. However, I assure the house that the provisions of the regulations are broad enough to cover any possible contingency.

Mr. Woolliams: A supplementary question, Mr. Speaker. I listened to the minister's remarks carefully. Since these disturbances are costing the country millions of dollars does the minister not agree that there is a crisis and state of urgency—

Mr. Speaker: Order, please. Would the hon. member please resume his seat. The hon. member is not asking a supplementary question but presenting an argument. If he has a supplementary question, would he please put it in the form of a question.

Mr. Woolliams: Yes, Mr. Speaker. Because a crisis exists does the minister not agree that we should set up a committee such as I have suggested, before there is further trouble in our universities?

Mr. MacEachen: Mr. Speaker, the question implies that the cause of this trouble is some imperfection in our immigration regulations. I think that is a rather oversimplified view of the problem in the universities.

Mr. Speaker: Order, please. I see a number of hon. members wish to ask supplementary questions. I am trying to be as fair as possible to all hon. members. I see the hon. member for Shefford wishes to ask a supplementary question. I will return to other hon. members who have already asked questions about this problem.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the minister.

Since we learned here yesterday from a provincial government's representative that according to the results of an investigation in the case, Mao followers were responsible for damages made two days ago at Sir George Williams University, does the federal government intend to open an inquiry to confirm the statement of a provincial minister regarding this movement?

[*English*]

Mr. MacEachen: No, Mr. Speaker.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, may I ask another supplementary question on this point? It has been determined that 45 out of 96 accused in the incident at Sir George Williams University were non-Canadians or foreigners. Could the minister find out exactly what is the immigration status of those 45 accused, to see if they were here as landed immigrants or students, or whether they had visitors' visas?

Mr. MacEachen: Mr. Speaker, we are conducting an investigation into the classification of the status of each of these persons. But it is a complicated question. When persons come to Canada as students, they must have an enrolment in university and meet their own financial obligations. It is possible in certain cases to withdraw a student's visa, but I do not think it would be desirable at this point for the immigration department to take action until the facts are clear, the identity of responsible persons known and their culpability established.

Mr. Woolliams: A supplementary question, Mr. Speaker. Answering the supplementary questions of other hon. members the minister said the Department of Manpower and Immigration may exercise discretion. Does that discretion permit people connected with Mr. Carmichael to enter Canada and cause trouble?

Mr. Speaker: Order, please. The question as asked is more an argument than a question. Perhaps we should go to another subject.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I wish to put another supplementary question to the minister.

Could the minister investigate to see whether the federal government has granted scholarships to some of the foreign students arrested yesterday?

Mr. Henri Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

In view of the riots which took place at Sir George Williams University, would the minister tell the house whether he deems it advisable to change or to put off the approaches made to China, in order to ascertain whether that communist country was involved in those acts of sabotage?

[*English*]

Some hon. Members: Answer.

Mr. A. D. Hales (Wellington): Mr. Speaker, in view of the great interest the house has displayed in the matter of foreign students in this country would the Minister of Manpower and Immigration make a report to the house on motions after he has conducted and completed a study?

Mr. MacEachen: Mr. Speaker, I will be glad to consider that when sufficient facts are known to make a meaningful report.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in making that statement could the Minister of Manpower and Immigration deal

with another question, namely, the question of the discretion which he says his officials exercised with regard to deserters from the United States army. I understand nothing in the act or regulations covers this question and I should appreciate it if the minister could make a statement.

Mr. MacEachen: Mr. Speaker, as I understand it the policy and practice with respect to military deserters has been in effect for some time and has been applied in the same way as I stated some days ago. Last July a directive was issued to immigration officers which established some guidelines with respect to the exercise of that policy. I must also advise the house that quite some considerable time ago I asked my department to review the whole policy with respect to draft resisters and military deserters seeking entrance to Canada either overseas or at border points, and with respect to deserters already in Canada who seek admission as immigrants. That review is nearing completion and then this whole matter will be considered carefully. It is a very complicated and difficult matter and undoubtedly has attracted a great deal of interest because of its complexity.

Mr. Diefenbaker: Because of the government's laxity.

AGRICULTURE

P.E.I.—PHASING OUT OF EXPERIMENTAL FUR FARM

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, a week ago I asked the Minister of Agriculture to reply to a question. He said he would take it as notice. Can he reply to that question today?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I think I have a further reply in my book; it is very brief. It indicates that part of the fur farm research project will be transferred from Charlottetown to the new Greenbelt farm on the outskirts of Ottawa. There is no thought in the department of suspending or doing away with this research. Rather, it is a matter of transferring the operation to a different station where it will be possible for notes to be compared—if that is the right word—by scientists of other disciplines.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. Although the minister referred to Charlottetown, I wonder if he did not mean the fur farm project in Summerside?

Mr. Olson: Yes, that is right.

Mr. MacDonald (Egmont): In view of the severe unemployment existing in the area from which the fur farm is to be transferred, will arrangements be made to find alternative employment for employees presently working on the fur farm?

Mr. Olson: Mr. Speaker, I understand that only four people are employed on this research station at the present time and I understand they all have been offered alternative employment.

Mr. MacDonald (Egmont): A further supplementary question, Mr. Speaker. Could the minister indicate to what use the extensive facilities on the farm will be put, after the farm is transferred?

Mr. Speaker: Order, please. I suggest the question as asked could be placed on the order paper or, if the hon. member so wishes, it could be debated at the time of adjournment.

EDUCATION

VIOLENCE AT SIR GEORGE WILLIAMS UNIVERSITY—STUDY OF CAUSES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I should like to direct a question to the Prime Minister relevant to questions posed to the Acting Prime Minister and the Solicitor General yesterday, in the hope that an answer or decision will be forthcoming. In view of the large federal contribution to university education, is it the government's intention to conduct an inquiry into the causes of destruction and unrest on campus, such as was witnessed at Sir George Williams University the other day?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I do not think this is a subject under federal jurisdiction. This matter concerns the administration of justice.

Mr. Muir (Cape Breton-The Sydneys): May I rise on a point of order with your permission sir? I tried to point out that I feel this is in order. My point is—

Mr. Speaker: The hon. member should indicate to the Chair what the point of order is. I hope he will not engage in a debate with the

Prime Minister or the government as to whether the question is in order, and whether it should be accepted.

Mr. Muir (Cape Breton-The Sydneys): What I said was in reply to the Prime Minister's comment. If you will bear with me, my point of order is that where you have a capital investment in federal funds amounting to millions and hundreds of millions of dollars across Canada, and where you have civil disorder on a grand scale, there is certainly a federal concern on grounds of peace, order and good government, as set out in section 91 of the British North America Act. It is certainly a matter for this parliament to be concerned about when we are investing millions of dollars and there is organized and widespread disorder—

Mr. Speaker: Order, please. Even if the hon. member convinced the Chair that it is a matter for federal jurisdiction, this would not necessarily resolve the situation. It is still within the competence and responsibility of a member of the government not to answer a question. It seems to me if the hon. member is not satisfied with the answer given to his question, perhaps the best thing would be to give the Chair notice of his intention to debate the matter at ten o'clock. It could then be debated at that time.

Mr. Muir (Cape Breton-The Sydneys): May I pose a supplementary question, Mr. Speaker, to the right hon. Prime Minister? In view of all the destruction and unrest, would the Prime Minister consider the involvement of the federal government? Would he consider having the Minister of Justice join with the attorneys general of the provinces to discuss this serious problem now raging across Canada? We do not want to have to face what has happened in other countries.

Mr. Trudeau: Once again, Mr. Speaker, I do not think it is a question for the Attorney General. If we were to find there had been some disturbances which were unlawful, we could not apply the law because the administration of justice is a responsibility of the provinces. The only retaliation we could make would be to cut grants which are directed to education, and this is the kind of step the Leader of the Opposition has suggested we should not take.

Mr. Muir (Cape Breton-The Sydneys): I agree with that.

[Mr. Speaker.]

VETERANS AFFAIRS

DISABILITY OF DIEPPE PRISONERS DUE TO IMPRISONMENT

Mr. Jack Cullen (Sarnia): I have a question for the Minister of Veterans Affairs. Can he advise the house the results of his meeting yesterday with officers of the Dieppe Prisoners of War Association?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): I did have a meeting yesterday with the association, Mr. Speaker, which was most informative. We agreed there seems to be good reasons for the medical officers of our department to review the files of as many Dieppe prisoners of war as possible to determine whether there is any particular pattern or type of disability common among this group of veterans which could be related to their imprisonment. The findings of this review should enable us to appraise whether or not it would be advisable to call in a certain cross-section of these prisoners of war to see—

Mr. Speaker: The hon. member can give information on a matter of interest to all hon. members but he should not make a general statement unless he has the consent of the house to revert to motions.

Mr. Cullen: A supplementary question. I wonder if the Minister of Veterans Affairs would give consideration to treating the Dieppe Prisoners of War Association as a separate group, similar to the way in which Hong Kong veterans are treated?

Mr. Dubé: I do not know how much more information I am allowed to give, Mr. Speaker, but I do wish to state I will give these prisoners of war my most sympathetic attention.

INQUIRY OF THE MINISTRY

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the Minister of Indian Affairs and Northern Development. I would ask the minister whether he or his department have just completed some contractual relations with public relations firms designed to upgrade the image of his department?

Mr. Speaker: Order, please.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I would like to reply.

Mr. Speaker: Perhaps the minister would like to make his answer during the adjournment debate.

[*Translation*]

AGRICULTURE

ITEMS TO BE DISCUSSED BY PROVINCIAL MINISTERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to ask the Minister of Agriculture a question.

Since he announced some time ago a conference on agriculture to which provincial ministers would participate, could he indicate the main subjects to be discussed at the conference?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): I would be happy to provide hon. members of this house and in particular members of the Standing Committee on Agriculture with copies of the proposed agenda.

Mr. A. D. Hales (Wellington): A supplementary question. Would the report on the cost of farm machinery be ready for this conference?

Mr. Olson: I have asked the commissioner to prepare a position paper, or we may call it an interim report, to serve as at least a basis on which the discussion can begin on that particular subject.

COMMUNICATIONS

UNITED NATIONS REPORT ON SATELLITE BROADCASTING

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the appropriate minister. Will he give consideration to making available, through tabling or otherwise, the report on satellite broadcasting prepared by Canadian and Swedish scientists for the United Nations committee on outer space?

Hon. Eric W. Kierans (Postmaster General): That was a joint report, Mr. Speaker, prepared by Sweden and Canada for submission to a special council of the United Nations. I will discuss with my colleagues the release of that report to the house.

REGIONAL DEVELOPMENT

REQUEST FOR LEGISLATION ESTABLISHING DEPARTMENT

Hon. Robert L. Stanfield (Leader of the Opposition): I would like to ask the Minister of Forestry and Rural Development whether he can now give the house definite assurance with regard to the day on which the bill will be introduced respecting his new department? Is he able to give us any firm assurance in regard to time?

Inquiries of the Ministry

Hon. Donald S. Macdonald (President of the Privy Council): Perhaps I can deal with that, Mr. Speaker. Notice will be given today for the introduction of the government reorganization bill. We expect it will be given first reading on Monday.

RESEARCH

RESPONSIBILITY FOR GOVERNMENT SCIENTIFIC PROGRAM

Mr. J. Edward Broadbent (Oshawa-Whitby): A question for the Prime Minister, Mr. Speaker. Last Thursday the Minister of Industry, Trade and Commerce announced the house would have an opportunity to discuss science policy when the reorganization bill for his department is introduced. Would the Prime Minister assure the house that either in that bill or by some other means there will be a minister responsible for the co-operation of the total government scientific program?

Right Hon. P.-E. Trudeau (Prime Minister): There is a minister responsible for that co-ordination, Mr. Speaker. It is the President of the Treasury Board. I have indicated that the government is considering making certain changes in that area, but this policy has not yet been approved by the cabinet. Therefore I cannot say when it will be brought before the house.

[*Translation*]

NATIONAL PARKS

QUEBEC—ESTABLISHMENT OF PARKS IN THE PROVINCE

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development.

As it seems that consultations and federal government offers to Quebec are at a standstill since October 29, 1968, would the minister find it appropriate to ask provincial representatives to come and discuss the matter in order to find a solution?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I take the hon. member's question as notice.

[*English*]

Mr. Jean R. Roy (Timmins): Mr. Speaker, will the Leader of the Opposition now agree with that old Liberal, Mr. Robarts, that our Prime Minister will be a very good Prime Minister?

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Inquiries of the Ministry

EXTERNAL AFFAIRS

IRAQ—REACTION TO CANADIAN GOVERNMENT REPRESENTATIONS—IMMIGRATION OF IRAQI JEWS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the first question I would ask the Secretary of State for External Affairs, is this: About eight or nine days ago I asked a question regarding the reaction of the Iraqi government to the protest of the Canadian government, or the representations made by our ambassador in reference to the slaughter of a number of Jewish and other persons in that country. What has been the reaction since that time?

Secondly, is the minister now in a position to advise whether the government is giving sympathetic consideration to the immigration to this country of Iraqi Jews who desire to leave potential oppression and come to Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the message to the government of Iraq was delivered. They have made no reply, but perhaps it is significant that some of the fears that we had about further executions and trials are less now than they were at that time. Perhaps the joint representations made by Canada and many other countries have had an influence upon the government of that country. I am sure we all hope so.

This afternoon the Minister of Manpower and Immigration and I will be meeting with the Canadian Jewish Congress to discuss the question, based on the representations they have made to us, of facilitating the entry of Iraqi Jews to Canada. As I have said before, this is a very complex question, and what we have to be sure of is that the action we take is really beneficial to those unfortunate people.

Mr. Diefenbaker: Mr. Speaker, I do not quite understand what the minister means by the complexity of the situation?

Mr. Speaker: Order, please. Would the right hon. gentleman ask his supplementary question.

Mr. Diefenbaker: That is my supplementary question. What is the complexity of the situation in regard to Iraqi Jews and other refugees who endeavour to come to Canada?

Mr. Sharp: Mr. Speaker, unfortunately when similar pleas were made in the past, sometimes the reaction upon the people whom the world was trying to help was most unfortunate. There was strong reaction against them in their home countries.

Mr. Speaker: Order, please. I regret to have to advise hon. members that we have gone beyond the time allotted for oral questions. Perhaps tomorrow less time will be spent on that day's happenings in Montreal and more on events elsewhere; and the Chair will try to protect minorities and give more time to backbenchers.

BUSINESS OF THE HOUSE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I should like now to make the weekly announcement of business. Tomorrow, as previously arranged, we will have the special discussion arising out of the federal-provincial conference. On Monday we will call the orders for third readings of Bill C-154 and Bill C-155 under the jurisdiction of my colleague the Minister of Agriculture. That will be followed with the report stage of Bill C-156, followed by Bill C-157 if the evidence is available from the agriculture committee at that time. Following these we would call the second reading of the estate tax bill, and we propose to continue with that bill at that stage, at the committee stage and the third reading stage for the balance of the week from Tuesday to Thursday. As I indicated, the government reorganization bill will be given first reading on Monday and we propose to go ahead with the second reading debate on that bill when the estate tax bill has been completed next week.

Mr. James A. McGrath (St. John's East): A question to the government house leader, Mr. Speaker. Would the minister ask for consent later this day by leave to move concurrence in the third report of the Standing Committee on Privileges and Elections to enable those of us who hold dissenting views to have a chance to be heard before the Standing Committee on Transport and Communications leaves on Sunday for its tour of the Atlantic provinces?

Mr. Macdonald (Rosedale): Mr. Speaker, the business already has been called for today. I am prepared to move concurrence in the report, if that be necessary, in the near future. I think perhaps we should continue on today's program as arranged.

Mr. McGrath: May I refer this matter to the adjournment debate at ten o'clock?

• (3:00 p.m.)

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed, from Wednesday, February 12, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-150, 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, the Customs Tariff and the National Defence Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

[*Translation*]

Mr. Henri Latulippe (Compton): Mr. Speaker, at the time of adjournment, yesterday, I was explaining the importance, the greatness and the existence of man. If we are to know where we are going, the importance of humanity and its components must be known.

I was saying also that we will have a just society to the extent that its components are sound. Society should not be made up solely of corrupt elements, but it should also have elements that are purified through legislation and motives which are adapted to man.

Being its absolute master and vested with powers by an absolute collective strength, a nation which is composed of absolute units recognizes only those collective forces that it uses with consummate skill to neutralize them.

The state ignores man and loathes him. For its own designs, man is a material, a thing, a number, a file and nothing more. The modern state is the enemy of man, of the human being and of the essence and existence of humanity itself.

There is no solution, in the world of the law. There are only irreconcilable inconsistencies, we must get out of this tragic and destructive dilemma; we must replace disorder by order, freedom and the recognition of every human being.

The community exists, Mr. Speaker, as long as there are individuals to make it up. The community means almost nothing if it were not for the human being.

The existence of communities is dependent upon individuals. When we say "community", it is an abstract word which does not cover every individual; we refer rather to a group of individuals.

Society must recognize the importance of every individual. Something might be done for the community, provided there are sound individuals and the legislation is consistent with natural and Christian ethics.

These values must be protected at all costs. The only proper order is that which comes from the great moral law: respect for life. According to that law, man is the beginning and the end.

There is no other method but that which stems from him to lead to him.

After a long history, humanity faces a mortal danger by accepting a degrading settlement, made possible by making legal everything which is contrary to order and to morality.

Man has become an incredible industrial giant. In our modern world, it is possible to give food and shelter to everyone. There are equal opportunities in life for everyone irrespective of his environment and his education. Then, what is the obstacle but old hatred, fears and the covetousness of the human heart?

The Canadian people must understand that situation and say with all their will power and self-control: We are going to take great strides so that we may together live through the next stage of our Canadian development. Otherwise Canadians will destroy themselves, as surely as there is a sun shining above us.

Apart from being pernicious, the provisions in this bill dealing with homosexuality and abortion will lead the nation to its own destruction.

Mr. Speaker, I should like to see the establishment of a plan or discipline that would not only lay down what is just in family and community life today, but also lead the Canadian people on the road to a clear conscience, so that all individuals and all nations may live peacefully and harmoniously.

With my whole being and with all the respect I can summon, I must thank my mother for having given birth to me. I would never have seen the light without her. I do not know of anybody who was ever born without a mother. Every human being is of great importance. The importance of a human being is unequalled and human life is priceless.

Frankly, Mr. Speaker, women as a whole are more courageous than men. They have more courage. They need it since they must live with men. We expect them to give us comfort in our bedrooms and beauty in our living-rooms.

I wish to emphasize the fact that women deserve the highest respect and are of an extreme importance. In our modern world, men advocate the idea that women are beautiful and costly toys and that if one has money, one can look after them. But we forget that most of them give the best they have. We do not expect women to play a decisive role in modern history. Women are not only endowed with intelligence but most of all, with a kindness of heart that enables them to cure the hatreds of the modern selfish world.

Somebody has to undertake the task of building a just society, otherwise man will destroy himself on account of the problems he will have created. This is not a dream. It could be something real tomorrow. Abortion will not, as by magic, make men better and generous. If man really wishes to place himself above animals, to control his lower instincts and develop his highest ideals, the state must enact laws to enable him to place himself above animals.

Mr. Speaker, bills such as the one we are now discussing are unable to insure any real amount of protection to human beings, especially where women are concerned.

It is up to the state to promote morality so as to maintain, as far as possible, a well-balanced human personality. Such is the duty of the state.

According to the theory of evolution, which every new discovery of science seems to confirm, man, with all his greatness and his drawbacks is yet a far-from-perfect creature. This means man can improve. It also means, however, that the changes towards perfection have to follow the very, very slow rhythm of evolution, the rhythm of every living being. Man is probably unable to speed up the process. Therefore, Mr. Speaker, let us not be deceived by the hope that a moral law would make men better, less selfish, less hostile, more human, more brotherly. The state would be unwelcome to release our lower instincts; this would only result in allowing a great number of individuals to indulge in turpitude thus increasing corruption and destroying society.

The duty of the state is, by setting reasonable standards, to help man realize himself and to give him every moral, social, intellectual, practical and economical support in its power.

Every man should be given the means to find the key to his inner truth, to fulfil his

destiny. Thus, instead of deteriorating, he would probably improve.

Deep down, man wants to be considered as a man. This claim is nothing else but his will to be, and to be himself. He wants to build up his own world, according to his own truth, to the way he feels life and happiness on earth should be. And this is a feeling one should respect.

That kingdom is sacred, that kingdom is man itself. To build up that man, right from the beginning all the energies latent in the world have concurred. That man in front of you is like nobody else. Indeed, he thinks, he loves, he hates in his own way; he believes and he hopes; he skakes and quivers. He is the sole master of this inner recess, burning and radiant, in all his nobility and dignity. Whoever penetrates into it, man, state, law, authority, commits a major, an unatonable crime against man. All life must be exalted, protected, saved when it is in peril. There is no life, no matter how debased, no matter how low it has fallen, that does not hold within itself the resources of it own revival.

Life is not a state, it is a movement, it is action, it is a confrontation. Life is a continuous creation. It is in that creation that man seeks himself, finds himself and fulfils himself.

• (3:10 p.m.)

Mr. Speaker, if there are 3.4 billion people on earth, there are 3.4 billion different concepts of life and happiness. No power on earth can know a man, except that man himself. It would be ill-advised of the state to intervene in one's privacy and conception of life, before having fulfilled its proper role towards society. It falls to the state to ensure the national balance which will enable every individual to live without fear, without hardships, in a country overflowing with wealth, and guarantee him and his family three meals a day, a decent shelter which he can hope to own someday.

Mr. Speaker, I could say more on man's conception and his moral greatness, but I shall go on to another topic. Instead of trying to impose laws which are not its concern, laws which are not fitting and which encroach upon the rights of the individual, the state should assume its responsibilities. I therefore urge the state to fulfil its duty, and mind its own affairs.

Mr. Speaker, if we want to eliminate abortions, then let us take the necessary steps.

According to the findings of various associations—I have the figures here—86 per cent of all divorces are due, it would seem, to our diabolical system, which prevents people from having decent housing. That is where the State should intervene, not in the citizen's private life. It ought to allow all citizens to freely achieve their goals and to live comfortably in this country abounding in resources and capable of feeding half the world. However, 20 per cent of our people are left starving and living in slums.

Many wives refuse to bear children because they would not know where to accommodate them. Children would crowd their homes. Besides, some have to work to support themselves or their family, to pay their rent and their debts. In the circumstances, they do not assume the part they should play in the community.

Experience shows that 86 per cent of the abortions are directly caused by lack of money at home. Education is the responsibility of families and society but at a certain age the individual becomes responsible for his actions and each considered decision remains the responsibility of the society, the family and the individual himself.

Most of the time, Mr. Speaker, criminals are what they are because they were ill-treated when they were young by their parents, their companions or their teachers. An infamous bill seeking to allow such indecent acts is against human nature and God's commands.

I should like, Mr. Speaker, to read a letter I have received. I have been snowed under with letters from my constituents these past few days, but I shall limit myself to the one which struck me most, and I quote:

> In the context of life in society, here are the words I would flatly tell my own daughter with an itching to get an abortion.
>
> I would start by trying to make her change her mind, by all possible means, and especially by removing first the causes of her decision.
>
> I would finance adequately the period of her pregnancy, at the rate of at least $3 per day, or $90 per month. I would offer her $1,000 at the birth of her child and after that, I would give her a monthly allowance of $90 for herself and $30 for her child to the age of 10, of $60 from 10 to 20, and of $90 from 21 years of age until the end of his schooling, or until he got regular employment in the community of adults.

It is in that area, Mr. Speaker, that the State must intervene. With the value of our production having reached $68 billion last year and with this year's production reaching $72 billion, while consumption will stand at only $40 billion with a surplus of from $28 to $30 billion in warehouses, on the shelves, it should be easy to offer something to our children, to Canadians generally.

The letter goes on and I quote:

> If, after receiving all my moral support, my human and fatherly encouragement and for reasons known only to herself, she insists on having an abortion, I shall assist her to the best of my ability in obtaining for her the most modern and experienced methods used by our best obstetricians.

Mr. Speaker, such is the attitude of one father regarding his daughter if she happened to get in trouble some day. According to the letters I have received, this seems to be the general consensus. Most of my constituents use the same arguments when they ask me to speak up and voice their opinions about this infamous bill which at no time should have been submitted to this parliament.

And I quote again:

> In the case in point, I feel this would be my duty as a humane father, and I would be confident of acting under Divine guidance and according to my enlightened conscience.

Mr. Speaker, this sums up the reasoning of a head of family.

> Therefore, all abortions taking place in Canada are due to our damnable society—

Again, this is the same person speaking:

> —which is guilty of failing to educate the people decently, of denying them their right to life, freedom and the enjoyment of their property. This damnable society is Canada. The government of Canada is responsible for depriving most citizens of their personal property as guaranteed by the Creator.

Mr. Speaker, I have been a member of parliament since 1962 and I have always advocated a better distribution of personal and family income. Since 1962, the Liberal and Conservative governments turn a deaf ear whenever they were asked to raise family allowances.

I see nothing but increases in capital gains and in the interests on the millions of bonds of the federal government. One can see the increase in taxes and contributions that reduce the income of small wage earners who cannot afford to rent decent houses for their children yet to be born.

I have always made my representations politely, but I am about to make them in a firmer and somewhat angry tone and I will protest more strongly, for society ought to do what is necessary at least.

Family allowances should be raised. If they were, and should the government

assume its responsibilities and proceed in an orderly way, applications for abortion would be examined in consultation with psychiatrists; a social worker, a gynaecologist, and, if necessary, a moralist and an expert in genetics should be engaged to assess the consequences of the completion of pregnancy or of abortion and prepare a file which would be submitted to the abortion committee. That is the task that the government should accomplish, that is what the bill should include.

The government should give the mother everything it can. Legislation should favour as much as possible those mothers who complete their pregnancy, whether they want an abortion or not, and those who cannot avail themselves of treatment facilities.

In particular, someway should be found to change the conditions making pregnancy undesirable. The state should provide any pregnant woman with her financial requirements. If these people enjoyed all those rights and benefits, I am sure that abortions would cause little problem. If the mother felt able to provide an education and a decent living to her child, she would not be reluctant to give him birth.

Society is made up of human beings, and nothing is nobler and greater.

The state must fulfil human functions, in accordance with public feeling. The state must give sufficient purchasing power to our families, so that they will not fear the future. Consequently, we would not have to bring over millions of immigrants. We could go on building up our society, which would develop and also be healthier. We might never witness again what happened at Sir George Williams University.

• (3:20 p.m.)

Mr. Speaker, it is in this light that I take part in the debate on this bill, which I would like to see amended.

Before concluding my remarks, Mr. Speaker, I would like to say a few words on lotteries. The bill contains many clauses and, consequently, if it is not divided, we shall not support it. However, if we can vote on each clause, then we will be able to vote freely. I ask once again the government to allow government members to vote freely so that,

[Mr. Latulippe.]

faced with such responsibilities, every member may vote freely, in conscience and in the best interests of society.

As far as lotteries are concerned, I agree indirectly with the principle that there must be a difference between lotteries and mere games of chance or small drawings. Certainly, nobody could ever imagine that the same legislation could apply to lotteries in which hundreds of thousand dollars are at stake and, for example, the drawing of a T.V. set for the benefit of a parochial charity. We must ensure the passage of a piece of legislation likely to solve all cases which may arise. However, there is one point of the clause which, in my opinion, should be amended.

If a province is allowed to have a lottery, I do not see why such a lottery would be illegal in another province, because the latter has not officially legalized lotteries.

Mr. Speaker, at the recent federal-provincial conference, the rights of the citizen have been claimed, especially the right for a Canadian citizen to feel at home anywhere in Canada.

The city of Montreal, for instance, legally established a lottery. Yet, it is illegal in other provinces to purchase a ticket for the Montreal lottery. I sincerely believe that we should amend this section of the bill by moving an amendment which reads as follows:

I move, seconded by Mr. Lambert:

That clause 13 of bill C-150 be amended as follows:

"That paragraph (b) of subsection (1) of section 179A be amended to read as follows:

(b) for the government of a province or for a municipality, either alone or in conjunction with the government of a province, to conduct and manage a lottery scheme, in accordance with any law enacted by the legislature of that province, for any person, in accordance with such law, to do any thing described in any of paragraphs (a) to (f) of subsection (1) or subsection (4) of section 179."

Therefore, Mr. Speaker, in accordance with standing orders, I move this amendment.

[*English*]

Mr. Deputy Speaker: Order, please. I would like to take the proposed amendment under advisement. For the moment I would say by way of preliminary remarks that I have grave doubts about its admissibility, but I would like to study it.

[*Translation*]

Mr. Latulippe: Mr. Speaker, with regard to the amendment concerning lotteries, I said earlier that we supported it in part.

Mr. Speaker, if our economy was adequately controlled and properly balanced, there would be no need for these national "barbottes" to support municipalities, school boards or various religious or other organizations.

Nevertheless, Mr. Speaker, we will vote for this bill. We will vote for the legislation dealing with lotteries. Ours will be a reluctant vote because we know that it involves a national "barbotte".

We know that we could act otherwise. If we had a just society, there would be no need to adopt unjust regulations and legislation. Establishing lotteries is an injustice in a country such as Canada which has an abundance of resources and could be self-supporting. Our country is capable of guaranteeing three meals a day and a suitable income to everybody, since we do not know what to do with our products because we do not have enough consumers. We want to increase the number of consumers. Because of applied science and the work of past generations, we could do without such things. As we are living under the present system, we will probably vote in favour of lotteries.

As for the other clauses of the bill, such as the one on abortion, I have had my say on the subject.

On the subject of homosexuality, this bill deals with a most evil and indecent matter and it should be of no concern to the government.

Mr. Speaker, the state should endeavour to introduce sound regulations which are morally acceptable so that there will be an end to these indecent matters and that our nation might develop itself and rise above animality.

Mr. Speaker, there are several other things I would like to say. I will conclude by asking once again that each member vote according to his conscience as this vote is exceptionally important because it involves the essence of life itself. Abortion is one subject that strikes at the very essence of the individual, of humanity and of society as a whole. If this does not exist, there will not be any society because, I repeat it, I know of no one in this world who does not owe his life to his mother.

29180—346½

• (3:30 p.m.)

[*English*]

Mr. McIlraith: On a point of order, Mr. Speaker, if argument is to be heard on whether or not the amendment is in order I should like an opportunity to make a submission along the lines that it is a type of amendment which is not properly admissible at this stage, though it could be moved at another stage of our proceedings.

Mr. David MacDonald (Egmont): Mr. Speaker, I rise to speak only briefly on this bill, realizing that what we are doing at this stage is to give general consent to the proposition that this legislation be referred to a committee for investigation, study and possible amendment before further debate and third reading.

I enter this discussion with a certain amount of trepidation because it is not usual in these days for a theologian to become directly involved in questions which concern amendments to the Criminal Code. But perhaps I should not classify myself as a theologian at this late juncture. Since, however, there seems to be some basic confusion with regard to the bill before us—whether we are dealing here with what is fundamentally a theological question or with what is really a legal or political question—it is perhaps appropriate that a person who passes from time to time as a theologian should become involved.

An attempt to clarify this point was made by the N.D.P. house leader when he suggested in the course of his remarks that much of our criminal law was developed in a day and age when the influence of the church on attitudes in our society and its popularly held folkways and mores was very greatly felt. However, we have since moved into a pluralistic society in which no one denomination or religion can be said to answer for all the popularly accepted opinions of society. What we shall be called upon to do increasingly as we deal with reform of the Criminal Code is to make a clear distinction between what we mean by criminal acts and what we mean by immoral behaviour or sin, as it was more often referred to in a previous age. If you like, it is the distinction between sin and crime. This will impel many of us to consider what we mean by sin. It will also involve, particularly for those who are called upon to pass laws, whether in this parliament or another, the question of what we really mean by crime. I say in all humility that various religious

bodies have spent a great deal more time during the last decade upon a re-examination of what is meant by sin in comparison with the amount of time spent by legislators, political scientists and jurists on the question of what is crime or what is anti-social behaviour.

Introducing this measure on January 23, the Minister of Justice (Mr. Turner) said:

> This bill will, I am sure, be remembered as a high point in penal reform in Canada.

I wish that statement were accurate, Mr. Speaker. I am afraid it is not. We see here a considerable amount of tinkering with the machinery in regard to such things as detention, probation, suspended sentences and so on, but the proposals do not really come to grips with the fundamental questions—how we are to treat people who run afoul of the law and how we are to protect society from further acts of anti-social behaviour while working toward the reform of the individuals involved. To the extent that these basic questions are dealt with, they are dealt with in an extremely superficial way. The essential task remains before us.

I am glad to see the Solicitor General (Mr. McIlraith) in the house this afternoon. The aspect of the bill which I am discussing falls largely within his jurisdiction since he is responsible to the house for the administration of federal penitentiaries. There is no area of government administration in which there is a greater need of reform.

I have in mind, of course, the way in which we treat people who are sent to penitentiaries and the kind of protection we should ensure to society upon the eventual return of most of those who are incarcerated. I realize that in connection with the quotation to which I referred the minister was probably throwing out a self-congratulatory statement, disregarding the fact that no real attempt had been made to grapple with these questions, and I look forward to other opportunities of dealing with the subject in the course of subsequent debates.

I think it is unfortunate that certain provisions which could have been included in this bill have not in fact been included. I was particularly hopeful that since this legislation had been redrafted, an election having intervened, the newly appointed Minister of Justice might have included in his proposals the substance of the bill I introduced in March, 1968, having to do with the abolition of corporal punishment, which I described at the time as being a relic of the dark ages. We know that corporal punishment is not extensively applied today. We also know there is nothing about its use which makes sense either from the viewpoint of protecting society or from the viewpoint of reforming the individual concerned. It is merely another kind of social vengeance and a holdover from an earlier understanding which adds nothing to our sense of the dignity of man or his motivations.

• (3:40 p.m.)

I want to speak on three or four of the most controversial, if you like, and most important sections of these reforms to the Criminal Code. I think it is very important that these reforms are dealt with in this bill. Quite frankly, I am disappointed that to a certain extent they seem to be set as substantial as I would have appreciated.

Let me go immediately to the one that seems to provoke the most controversy and the strongest emotional feelings and to which what I said at the beginning applies, namely, whether what we are dealing with here is a crime or a sin. I refer, of course, to the provisions with respect to abortion.

There has been an interesting debate in the house, and we had a great many hearings by a committee last year, on what changes should be made and what will be acceptable to Canadians generally. But what we are faced with in the provisions included in this bill is something that will very likely satisfy almost no one. I say that because, in effect, it is an attempt to suggest that in some way we are going to legalize abortions in this country. From the minister's own speech and the speeches of other members we have come to realize that the definition that will be given to these clauses is exceedingly narrow and surely will not satisfy those who realize that here we have a tremendous social problem. In addition, it quite likely will not satisfy those who believe that any provision regarding abortion is in fact a highly sinful and, in their terms, somewhat criminal act. But more important, one of the basic reasons that the health and welfare committee spent many months examining this problem was to get at what, to me, is one of the most disturbing social problems we have today. I refer to the thousands of illegal, back-room and back-alley abortions that are being performed in the most dreadful kind of circumstances and with, from time to time, the most tragic results leading to loss of life or the almost complete destruction of health of women who must resort to this means.

I am not so naïve as to think that we can put into the law provisions that will take care of this situation. What we are dealing with is a very complex social, economic and health problem that quite naturally is not only the responsibility of this place but of the provinces, the municipalities and also the various church bodies. For us to try to solve this problem would, of course, be superficial, but if we were going to try to face the problem realistically I think we should have offered more by way of legislative reform than has been presented to us by the minister in Bill C-150. We have avoided facing some of the aspects of this problem that surely must disturb us all.

When one thinks of young girls who are viciously attacked and raped and as a result become pregnant and at the same time realizes that under the provisions of this bill there will be no assistance or hope for them, when one thinks of abnormal social or family situations in which an adolescent becomes pregnant as the result of an incestuous relationship and at the same time realizes that the bill will not deal with this particular circumstance, and when one realizes that as greater medical knowledge is obtained we can predict more or less accurately the birth of badly formed offspring and that there is nothing in the bill to deal with this situation, one does wonder just what kind of reform is being presented to us in the amendments with regard to abortion.

As I said a few minutes ago, I cannot see that the legislation will really satisfy anybody very much. If all that the minister can do is just to legalize what, as the hon. member for Windsor-Walkerville (Mr. MacGuigan) said, is popularly acceptable in the law, instead of legalizing what people think the law means, which is another thing, then in my opinion we cannot call the proposed bill a reform measure. Quite frankly, I think it represents an avoidance of the issue, and this does disturb me very much.

I should like to refer to another provision that has caused considerable difficulty to some people, that popularly referred to as the legalization of homosexuality. I suggest that is not the purpose of these amendments at all. Certainly there is a fundamental misconception here. I believe the previous speaker said that the government should not be getting involved with these things, and this, of course, is exactly what the government is saying in this regard in its legislative provisions.

However, I am disturbed about the popular implications that may very well arise from these amendments. It is not only what we do that is important; equally important is what we seem to do. In this regard I think it will be necessary for the minister or for other officials, while removing from the category of crime what are considered abnormal sexual relations between consenting adults, to suggest at the same time that very serious consideration be given to the incidence of this problem and the ways in which it might be dealt with from a health point of view. I think it would be bad leadership on the part of parliament if it were to be mooted abroad that the present members of parliament had thought that they were voting in favour of encouraging or opening the door to increased homosexual or other forms of abnormal sexual behaviour. If that were to be the case, we would have done a great disservice to the people of this country.

I should like to make brief reference to the great many amendments regarding gun control and control of other weapons. In this respect I think our country has lagged much behind many other countries and parts of the world that have realized the seriousness of this problem. Perhaps we have been overly influenced by the tremendous lobby that has existed in the United States in the matter of gun control. Surely the instances of assassination of great figures during the last few years will not let us forget the importance of such regulations.

Again I feel it is not going to be enough for us merely to regulate what kind of weapons it is permissible to own, and under what circumstances. Surely, in the final analysis, weapons are controlled by men. If we prohibit certain kinds of weapons or more greatly limit their use, it would only require the imagination of man to invent some other weapon which could be used to commit a violent or anti-social act.

During this past week we have been witnessing a great increase in violent behaviour in the North American context. Both in this place and in the various committees that seek to examine the detail of what we do here we must ascertain what our response is going to be to the growing violence in the North American—perhaps I should say the western—way of life. I suggest it will not be enough to circumscribe the gun laws of this country; we must come to grips with the cause of some of the violence that is very deeply embedded in our culture.

• (3:50 p.m.)

There are also some extremely worth-while revisions touching on the relationship between drinking and driving. I am glad to see that in the revised bill there are stringent criteria for establishing the alcohol content of blood. Similar provisions in previous legislation were not realistic. Although the new provision will impose great responsibilities on law enforcement officers, it at least is beginning to attack what is a great social problem today, the drinking driver. It is simplistic to say that drink only is responsible for the deaths of 5,000 who die on our highways each year. But we do know that in a great percentage of accidents drink is involved and that there is a relationship between the alcohol the driver has consumed and his susceptibility to accidents. Yet we should not fool ourselves into thinking that simply by passing this law we shall prevent death or mutilation on our streets and highways. Frankly, I am disturbed at the cavalier attitude we have displayed to automobile manufacturers who produce motor vehicles that may not be safe. We do not know how safe they are. Also, we spend too little on enforcing high standards of safety in highway construction and in bringing about safe driving standards.

If a disease were on the rampage in North America that claimed the lives of 55,000 people annually and injured about a million others, some of them permanently, we would soon set up royal commissions and invest millions of dollars in setting up new departments to deal with that specific problem. Although we applaud the minister for adopting a new standard to be applied against drinking drivers, may I point out that the drinking driver represents only one aspect of a serious social problem which needs be dealt with now.

May I refer to another amendment contained in the bill, the one having to do with lotteries. I am surprised that in a country wishing to be identified as progressive and in a bill that seeks to bring in reforms we should take the retrograde step, a step considered by many as economically regressive, of permitting lotteries. I suppose the idea is that lotteries will benefit individuals and groups as well as governments, federal and provincial. It is thought that lotteries in some way will bring in many millions of dollars of revenue. I suspect that this amendment was included in the bill as a result of lobby pressures exerted on the minister and his department and not as a result of any widespread examination of what lotteries would do to help provincial or federal budgets. I have seen lotteries operating in other countries and seen data pertinent to lotteries, and I have yet to be convinced that lotteries benefit society or inculcate the people of the area with a desire to increase their productivity or wealth through working. Considering the social effects of lotteries, the inclusion of this amendment in the bill is ludicrous. When this amendment is debated in committee I hope we shall have an opportunity to examine the implications of lotteries in other countries. Perhaps hon. members may change their minds about the advisibility of permitting lotteries here.

It will be obvious to those who have listened to this debate or read it in *Hansard* that there is a wide divergence of opinion in our party on many aspects of this bill, and this is as it should be. Many of its amendments touch matters of conscience much more than they touch on political ideology, philosophy or principle. I think that hon. members on both sides of the house ought to express themselves on the bill; if they do not do so on second reading they ought to do so when the bill is in committee or when it is before the house at the third reading stage. Above all, I think they should express here what their consciences dictate, particularly on the key sections of the bill.

Some hon. Members: Hear, hear.

Mr. MacDonald (Egmont): That they should be able to do so was the intention of our original amendment. Although Your Honour did not accept that amendment we hope that when we come to vote hon. members will be permitted to vote according to the dictates of their consciences.

In conclusion, may I say how pleased I am to learn from the minister that shortly there will be established a new national law reform commission. May I suggest that preliminary to the establishment of that commission serious consideration should be given to the full implications of anti-social or criminal behaviour in our society. May I also suggest in all humility that the membership of that commission should not consist entirely of those whose business or profession it is to associate with the law. Many of my colleagues on this side of the house are lawyers and I have friends in other places who have dealings with the law. Nevertheless, I think public opinion in this country demands that persons representing a wide cross-section of opinion in our society should be members of such a

commission. It is a little dangerous and near-sighted to limit the membership of that commission only to those who deal with or administer the law. Not only lawyers, magistrates or prison officials ought to be on the commission. The law affects all our lives and the membership of any commission concerned with recommending the revising and updating of our laws ought to be drawn from many segments of our society. Only then will it gain full respect in the minds of all Canadians.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, it is customary, in this house, to hear arguments for and against a great many questions. We have very often to listen to specious arguments and sometimes to speeches in which demagogy can be detected, but I think that the bill now before us provides hon. members with a better opportunity than is usually the case to resort to demagogy, since everybody agrees that this bill deals with difficult subjects.

Incidentally, I would like to congratulate the hon. member for Egmont (Mr. MacDonald) who has just resumed his seat, for the serious analysis he has made of this bill. Like many others I suppose, I was wondering at times whether he was speaking as a theologian or as a politician. I would even say that when the politician was speaking, there still lingered a touch of the theologian and I congratulate him on the high standard of his remarks generally.

Mr. Speaker, I believe that a great many of those who have spoken on this bill have spoken through their hats and about things which do not exist. I would like to point out some of those remarks in order to remove any doubt which may remain in the mind of the public. Indeed if there is a topic which lends itself to ambiguity it is that very subject, inasmuch as you deal with it without having read the whole tenor of the bill or with the settled intent of discrediting its proponents in the house.

For instance some have objected to breathalizer tests being given to automobile drivers, claiming that in some cases it would interfere with the freedom of people.

Mr. Speaker, I believe that the time has come, in this country, to reduce the number of accidents due to excessive consumption of alcohol. That seems even more important than concern for the protection of freedom. If one wanted to push the argument for freedom to its bitter end, policemen would have to refrain from investigating people they suspect of having committed crimes. After all, the number of deaths, accidents and claims brought about by motorists whose ability is impaired by alcohol should not be ignored. It is high time, I think, that the state should take the necessary steps to prevent such slaughter as we have experienced, through measures as strict as those prescribed in the bill before us.

Mr. Speaker, I know that the job will not be an interesting one, that we shall often be confronted with border cases where people might not be as guilty as breath analysis would suggest, and that the proposed method probably does not take into account what a given individual can stand, for some people can drink 26 ounces of alcohol and still manage to drive their car properly, whereas others, after one glass only, are unfit to drive. Justice is not perfect, that is a well-known fact; none the less, human shortcomings being taken into account, the state ought to enforce some legislation aimed at preventing greater evil.

It is a public disgrace, Mr. Speaker, to note the number of accidents and casualties in Canada, as well as the plain waste of money, that are due to negligent drivers who more often than not are intoxicated.

Mr. Speaker, I think that a government could not have a law passed without getting some opposition, even with regard to the most rational ones. There is in this omnibus bill many cases where, evidently, we can attribute all kinds of motives and make all sorts of assumptions. There was opposition, for instance, to certain regulations provided by the bill with regard to the possession of weapons. Mr. Speaker, I think it is high time that governments take drastic measures and be more on the look-out for these foolhardy persons who bring about so many tragedies.

A few minutes ago, Mr. Speaker, it was announced under the seal of secrecy that a bomb had exploded in Montreal, in a harbour building, wounding some thirty people. It is high time that governments take the necessary steps to prevent such disorders and slaughters which are now increasing most alarmingly in Canada. I think that the regulations governing the possession of weapons

and the penalties for those who are caught in such misdoings are not yet strict enough. Indeed, the public should call upon the governments to impose even more rigid control.

In many circles people have been gloating over homosexuality. They seem to imply that the government wants to encourage it but, Mr. Speaker, it is the least of our worries and I do not think that any of our members has such a predisposition or at least I am not aware of it.

• (4:00 p.m.)

Mr. Speaker, this legislation does not in any way seek to legalize homosexuality which, I admit, is a disease. Some have said: Let us rather make provisions for the treatment of homosexuals. But under what statute can we force people with a heart condition, cancer or tuberculosis to undergo treatment against their will? For some people, that is a matter of conscience. It is not the responsibility of the government to force them, but rather to prevent that they contaminate others around them.

In the proposed legislation on homosexuality, there is no intent to spread homosexuality, on the contrary. Acts of homosexuality which would cause scandal to a minor and which would lead to obscene exhibitions will still be punishable under the law. The bill aims only at correcting deficiencies in the law which, in some cases, could expose an homosexual to sentences of 10, 15 or 20 years of imprisonment, or preventing over-zealous policemen to raid private homes and bedrooms, something which is unacceptable under our democratic system. We are merely amending the law because there is precisely an aspect of it against which we cannot do anything.

Mr. Speaker, laws that we cannot enforce should not exist. It is much better to amend them than to ignore them and thus tolerate violations which, in their original form, they could not prevent.

An hon. member objected earlier to lotteries. But for how many years, Mr. Speaker, have we not been hearing cries for the toning down of the lottery legislation or requests to the federal government for the transfer of control over lotteries to the provinces? Despite the federal legislation, for many years almost every Canadian has been buying tickets for the Irish sweepstake. As far as I know, church organizations have been conducting for many years lotteries and all kinds of draws. It is about time that we put an end to such hypocrisy, and I think it is wise for the government to hand over to the provinces the control of lotteries. Provinces will legislate within the limits of their boundaries on the advisability of allowing lotteries to be held.

The love of gambling, Mr. Speaker, is something quite natural and betting and lotteries are age-old pastimes. I think that the federal legislation was shabby on that point, and that these amendments were long overdue.

I remember for instance that in 1963, in Toronto, my colleague, the former mayor of Toronto, and myself were invited by the Canadian Federation of Mayors and Municipalities to take part in their one-week convention in that city. And the mayors' federation passed, in 1963, with quite a comfortable majority, a resolution to the effect that the federal government should amend its legislation on lotteries, and transfer control thereof to the provinces. Then provinces wishing to do so will be able to make lotteries as lawful as they see fit.

I suggest it is high time that this lottery item be brought up to date.

It has been said in some places that the act did not go far enough in some respects, and I share that viewpoint. In other words, circumstances and the extent of public acceptance must be taken into account. The people must be informed about these judicial reforms instead of forcing more knowledge on them than they can assimilate. The present legislation is nevertheless a first step in the right direction and a commendable beginning.

Mr. Chairman, the most controversial aspect of this bill is probably the one about abortion. I have heard unimaginable comments of this subject. For instance, some way: My own conscience does not permit me to accept abortion.

Before proceeding further, it might be well to remember what is permissible in the clause dealing with abortion. There is no question of legalizing abortion. On the contrary, abortion will remain illegal for any person not complying with the conditions stipulated in the amendment. What are those conditions? In fact, abortion will be permitted in cases where a competent medical board, in a recognized hospital, will have sufficient grounds to decide that the mother could be in danger of death or of becoming permanently mentally deficient.

Someone said that his mother had several children. If anyone had asked her: Which one would you do without, she really would have been hard put to pick one.

Mr. Speaker, it is not a question of asking a mother to sacrifice her children, or even of allowing a young miss who has been indiscreet to procure an abortion because her pregnancy annoys her. It is a question of allowing a mother whose life or mental health is in danger to be examined by the members of a competent medical board, in a recognized hospital. We could then go by the diagnosis of that medical board.

Some people say that doctors would abuse the law, and that some of them would be more broadminded than others. Of course, Mr. Speaker, since the beginning of times some human beings have had weaknesses. Perfection is not of this world; it only exists in heaven where, I hope, the abortion problem will not crop up. Still, we must aim towards the lesser evil and accept the best possible human control which, to my mind, this bill provides.

Let us go back now to what I said a while ago when someone stated, "My conscience will not allow me to vote for this bill." Now, I ask that person by virtue of what principle he wishes to impose upon all Canadians the dictates of his conscience?

One's conscience is a personal thing. Other Canadians feel that the bill is right. Some members of the clergy feel that the bill is right, while spokesmen of certain denominations tell us it goes too far.

What is the legislator to do? Above all, he has no right to impose his religious convictions on his fellow-citizens.

Secondly, he must ask himself whether he took adequate precautions to insure that serious principles govern and condition the legislative measure.

I ask those whose conscience dictates that they vote against the bill whether they are not troubled at the thought of condemning to death the mother of children whose life, according to doctors, is endangered by her pregnancy. Will their conscience not bother them for having condemned to death both mother and child instead of choosing and saving the life of the mother whom the other children need?

It seems to me a basic moral principle not to sentence to death in advance a mother who has experienced unforeseen difficulties in pregnancy. Besides, we are forcing no one to have an abortion. Only those who will agree to it will have one with the consent of their doctor. There is not one single mother of a family who will be obliged to have an abortion. Any attempt to impose on others one's religious principles seems a little behind the times.

Mr. Speaker, I am against abortion and I shall not allow any member of my family to have an abortion even if the law made it legal. My attitude is dictated by my conscience but I cannot impose my religious principles upon the believers of other faiths or the people who do not share my views.

If some people question the value of my argument, I should like to risk an indiscretion and relate a personal experience. I should like to remind them that I have seen my wife lying on a sick bed with three doctors at her side. They told me for two weeks that with an abortion they could save her life but because of my moral principles, they did not induce abortion and I lost my wife and child. I ask those who, are bothered by their conscience if it would not have been better to save the mother rather than to sentence to death both mother and child.

In recognized hospitals, doctors will take usual precautions. That solution is a lot better than to force a woman to get an abortion from any quack abortionist.

I have the very distinct impression that upon sober reflection, one must admit that this legislation is a step in the right direction although it it not perfect and does not go far enough. It is a step in the right direction even though to the best of one's knowledge and belief, one objects to it.

I object to homosexuality, Mr. Speaker. Personally I also object to abortion. My conscience is at peace because I shall not resort to those things. However, I cannot impose the dictates of my conscience upon others, and this is what we are trying to provide.

We should be as broad-minded as possible when considering this legislation. We should display the greatest possible measure of oecumenism—I did not coin the word—and be very considerate of all beliefs. As for those who have problems with their conscience, they simply have to waive the provisions of the act and obey the voice of their conscience.

That is why, Mr. Speaker, I believe we should support this bill. By doing so, we may not attain perfection but we will at least try to choose the lesser evil which would certainly be a remarkable achievement in a society such as ours.

• (4:10 p.m.)

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, a good deal of what I would like to say on this subject has already been well said by others in the debate and I do not want to repeat what they have said. The hon. member for York South (Mr. Lewis), the hon. member for Vancouver-Kingsway (Mrs. MacInnis), the hon. member for Fundy-Royal (Mr. Fairweather), the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Winnipeg North (Mr. Orlikow), and this afternoon the hon. member for Egmont (Mr. MacDonald), have all put forward points of view about this bill that I share. I certainly will try not to repeat their remarks, but for two reasons I would like to say a little bit about the bill. One reason is that I have had some experience in the field of criminal law in a professional way, and from this I have developed some very definite impressions and opinions. The other reason that I want to speak briefly on the bill is that quite a number of my constituents have taken the trouble to write to me on various topics covered by the bill, and I think they have a right to know where their representative stands.

I support the bill as a whole and I will vote for it on second reading. In the committee I would like to seek some amendments made that I think would be improvements and also amendments at the report stage of the bill. On the whole I think the bill is an advance but not such an advance that I greet it in such lyrical terms as the Minister of Justice (Mr. Turner) allowed himself when he introduced the bill. But it is an advance. I think it is an advance toward a more humane system of justice. But notwithstanding that, I agree with the hon. member for Egmont that it is really only a scratching of the surface. I welcome the bill if, and only if, it is the forerunner of a more systematic revision of the Criminal Code as a whole.

In my view we in this house should adopt the words used in the United States by Mr. Justice Brennan of the Supreme Court when he said:

> We may be at the threshold of a major re-examination of the premises which underlie our system for the administration of criminal justice.

It behooves us, not only here in Canada but in the United States, to examine our system of criminal justice to see whether it is (a) a humane system and (b) whether it is or is not effective. If we look into this matter I think we can agree that we have ignored the scientific knowledge developed in the fields of penology and criminology. Up until now the opinion has been widely held that the legal system should be made by lawyers and administered by lawyers. I am a lawyer myself but I think the legal administration of law, particularly in the field of punishment, has left us with a system which just does not work, which in actual fact does not do justice, which makes it possible for organized criminals to carry on organized crime. It leaves us with punishment which is a vicious sort of punishment, punishment that is not curative, punishment that is directed at a great many of the poor, the impoverished and the inadequate who are victims of the system.

In my view it will be the proper task of this parliament, of the Standing Committee on Justice and Legal Affairs in particular, and of the new independent national law reform committee to undertake nothing less than a major re-examination of our whole system. If this bill is taken as an accomplishment of law reform and we rest on our laurels with it, then I think the bill will do more harm than good. But if it stimulates an interest and concern in this field it will be worth while.

• (4:20 p.m.)

Recently, Mr. Speaker, a book has been published which I recommend to hon. members. It is called "The Crime Of Punishment," and it is by a physician and psychiatrist, Dr. Karl Menninger, who has described our system for controlling crime as ineffective, unjust and expensive. I think that somewhere else he uses an even stronger phrase about it. He says in effect that it is crime-breeding rather than crime-preventing. These are the words of a man who has studied the system that has existed in the United States, and I do not think the system here is very different. I want to make the need for major re-examination the basic thesis of my contribution to this debate, but before doing so I should like to refer to some of the highlights of the bill.

I join with the remarks of the hon. member for Egmont and the hon. member for Winnipeg North Centre regarding lotteries. The provision of the bill to expand lotteries and to provide the right to the government of Canada and the governments of the provinces to conduct lotteries is anti-social and a blot upon what would otherwise be a reform of the law. I hope we will take a real look at this provision in the committee. I say this not because I greatly object to gambling—I think it is a strong human instinct which cannot be supressed entirely by law—but because it gets into the field of taxation which is in-

equitable, unjust and retrogressive. It exploits the desire to make easy money on the part of those people who can least afford to pay. Every state which has attempted state lotteries has been forced to abandon them because of their poor results. Yet because of some popular pressure, perhaps popular ignorance, we are urged to expand the scope of lotteries.

I have no doubt that in my own constituency the majority of my constituents would say they are in favour of expanding lotteries. I do not like to take a stand perhaps different from that of many of my constituents, but in this field my conscience requires me to say that most of them have not studied the facts. Had they done so I am sure they would agree with most of us who urge that we take this provision out of the bill. We need a more equitable and just tax system. When we need a juster tax system, why should we be denied a method of approach which is intelligent and just rather than an approach which is inequitable, inexpensive and pushes costs upwards? Lotteries are, in effect, taxes which are unjust, unreasonable and unfair, and I certainly hope to get the opportunity to vote against this part of the legislation. I will vote against what I think might turn out to be a social nuisance.

Let me say a word about the moot question of abortion. We all recognize that this is a delicate subject which involves peoples' deepest religious feelings. We are discussing the sanctity of human life. All I can say is that while I respect the views of others it is my view that it would be more convenient and more humane to take abortion out of the field of criminal law. I agree with the hon. member for Vancouver-Kingsway that we should remove it from the sphere of criminal law altogether. If we are to have a law in respect of abortion I think the proposal in the bill is reasonable because it specifically refers to life and health, and these are intimately interconnected. I do not understand how abortion can be said to be disregard of life when we permit an operation which may save the life and basic health of one fully developed personality at the expense of a personality that has not developed.

I cannot go into all the fine refinements of theology in respect of this matter, but I know different churches take different views. The church to which I happen to belong has recognized, I think rightly, that the views it used to hold are no longer applicable in this modern age of scientific development. I go along with that view, not entirely because that is my church but because I think it is sound sense and a matter of respect of humanity.

Let me say a word about the law in respect of homosexuality. I hope the committee will study this whole question to ascertain whether the legislation we are proposing in this field is adequate. I want to say that the basic principle in respect of this matter should be that private aberrations or illnesses should not become public crimes. If they are made into public crimes they open the door to blackmail without providing a cure of the disease. They add to the human misery which can flow from this affliction.

It is my suggestion that we look into this matter to see what other jurisdictions have done about it. Perhaps something more could be done than will be done by the provisions in this bill, although in my opinion they are steps in the right direction.

I was particularly pleased to read the proposals in the bill for the expansion of the National Parole Board. I do not want to deal with this at length because it can be dealt with in detail at a later stage. I do want to emphasize that this system has worked and worked well. It has rehabilitated many people. But those responsible in this bill have worked with inadequate facilities and without a sufficient, number of trained people to carry out the functions of supervisory parole. No arguments of economy should stop us from expanding this service which has been shown to be beneficial and, incidentally, a matter of sound economy as well. We create a sort of false economy when we cut down services of that sort. We condemn people to jail for long terms at great loss to their lives and great expense to the public. If we are to extend this system of parole we must also increase the funds available to those who are doing the actual job of supervising in the field.

In the course of this debate hon. members have made reference to the inadequacies of this so-called omnibus bill and its omissions. I suppose each one of us has a list of different omissions, but in my mind the notable omission is in respect of bail. A number of studies have been made in this regard. Learned experts have referred to the wastefulness, injustices and inequities of our bail system. Why cannot our Department of Justice prepare a revision of the bail provisions of the code?

I should like to see a new definition of insanity as a defence to a criminal charge spelled out. We now have a definition that every learned psychiatrist and medical man in the world has condemned as being inadequate. Distinguished lawyers, including my

former senior partner, Chief Justice McRuer, have expressed a view which I think happens to be wrong and not in accordance with the times. They have taken an over-technical approach, as lawyers sometimes do.

I do not know why we cannot in this house, rather than somewhere else, deal with hate literature. I think there are many other spheres in which there is an urgent need for change. If this is an omnibus bill, we need not one omnibus but a whole fleet of omnibuses in order to remove the inadequate laws we have in the field of criminal law and bring in up to date provisions.

At this stage I should like to refer to a point I mentioned before when I said I would like to adopt as the theme of my remarks the need for a thoroughly radical revision of the system of criminal justice. Let me quote Dr. Menninger, an eminent psychiatrist:

> It is a well known fact that relatively few offenders are caught and most of those arrested are released. Society makes a fetish of wreaking punishment as it is called on occasional captured and convicted individuals. This is supposed to control crime by deterrence. The more valid and obvious conclusion—that getting caught is thus made the unthinkable thing—is overlooked by all but the offenders. We shut our eyes to the fact that the scapegoats must go through the mill to keep the legend of punishment alive and to keep our jails and prisons, however expensive, crowded and wretched.

• (4:30 p.m.)

I could cite passage after passage from Dr. Menninger's book. He is a person who knows what he is talking about, who has studied the facts, not the facts of some ideal system of justice, not the facts of what ought to be, but the facts of what is. Such people say we are not dealing adequately with the problem of violence. The hon. member for Egmont said that we on this continent face a very serious problem in connection with violence. We shall not solve that problem by doing more of the same, by increasing the number of police officers and jails and imposing punishments of the type that have been imposed. We will have to go a great deal deeper than this if we are to solve the problem.

In the solution of the problem we shall have to use methods of scientific research which have been adopted in other fields and found to work. We shall have to say to the lawyers and to society in general: Your system has not worked. The cold war that exists between lawyers and the social workers, psychiatrists, medical men, penologists and others expert in this field must be ended; the situation must be changed.

[Mr. Brewin.]

I tell the house quite frankly that when I studied law I was taught nothing about what happens to people after they have served a term of imprisonment. I was taught what the sections of the Criminal Code contained but nothing at all about what happens to these people because of our system. Magistrates, judges and those concerned with administering our system of justice are not as such concerned with what happens afterwards to those whom they condemn even if they are personally sympathetic. They do not have to make decisions in this respect. They have to decide whether the penalty will be imprisonment for two years, three years or six months. Whether as a result of the penalty any cure will be provided, or whether it will create more criminals and promote recidivism is not part of their concern, expertise or knowledge. We have to consider this problem and ask the lawyers, who are a group with honourable principles and many great traditions, to get together with the social scientists, the medical men and psychiatrists and study and evaluate what are the consequences of our present system and how it can be improved.

I support this bill by and large, with the exceptions I have mentioned. It is a step forward. But I want to emphasize that unless it is treated by the government, this parliament and the public as merely a first step, a move toward a radical and thorough revision of our whole system, it will be inadequate and almost a waste of time. These are subjects that deal with deeply rooted feelings, prejudices and traditions. I think we must recognize that the time has come for change, for bold revision.

I hope that the law reform committee which will be set up will be a committee that will not tinker around, as lawyers have so often done, with the wording of the Criminal Code and things of that sort. I hope the committee will seek the best possible advice from people like Dr. Menninger, for example. We know that the field of psychiatry is changing. Those engaged in this field have developed new approaches and therapies which have been far more successful than the old-fashioned psychiatry practised in the past. Until we become up to date in this field we shall race constantly the type of violence, disorder and misery that now exists which has been growing and threatens our society.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, the former Bill C-195 which has become,

since the last elections, Bill C-150, has benefited from a wide publicity: radio, television and newspapers alike have taken up the matter. Contrarily to many bills which are often passed without the public bothering about them, this bill is popular in every class of society. We get letters from mothers and fathers who convey to us their ideas on the subject or they use the "Letters to the Editor" or other columns which are available to them in the newspapers.

I have received quite a lot of mail since this bill was introduced in the house. In addition to the personal letters which were sent to me I have a brief from the Association des bureaux médicaux des hôpitaux de la province de Québec and also a brief from the Alliance pour la vie, located in Hull, P. Q.

We have also received recommendations, and blueprints from the Association des Parents Catholiques du Québec, from the Société Saint-Jean-Baptiste in Montreal, from the Fédération des Sociétés Saint-Jean-Baptiste du Québec, from the Foyers Notre-Dame and from les Équipes Notre-Dame, from the Chapitre métropolitain des Chevaliers de Colomb, from the Chevaliers de Champlain, from the Dames Hélène de Champlain, from the Association des Puéricultrices de la Province de Québec, from the Association des Infirmières Catholiques du Canada, from the Action Nationale, from the Fraternité des Policiers de Montréal, from the Fédération des Fraternités de policiers de la Province de Québec.

Mr. Speaker, among all these briefs, all these letters, there is just one single letter in favour of the bill as proposed; if I had to speak on behalf of all those who oppose the bill as presented, I guess it would take me at least 40 hours.

Like the previous speakers, I shall be satisfied with the forty minutes at my disposal, but I shall simply point out to you, Mr. Speaker, that forty minutes for an area of 50,000 voters do not amount even to a minute for a thousand voters and that forty minutes to deal with a bill that contains more than 100 clauses is not all that much.

So I made a choice, and the first subject that I want to talk of is the one that proposes to modify the Criminal Code so as to authorize the federal and provincial governments to organize and to manage a lottery, and to deliver permits to charitable or religious organizations to agricultural fairs or exhibitions or a private citizen so that they can organize and manage a lottery.

Mr. Speaker, we can support this bill while opposing lotteries. I think our present system is useful because a few persons only have dared to use it.

And yet we remember the prohibition era in the province of Quebec, when the few innkeepers who engaged in bootlegging became millionaires. Today, because of the distribution right and left of licences or permits, the innkeepers realize that there are too many of them and that the majority of them have financial troubles.

By legalizing lotteries and by generalizing these systems, their "beneficial" effects are cancelled, if I may use that expression.

Today, the city of Montreal's voluntary tax can be advantageous. But on the day when any one, religious associations, the federal government, the provincial governments, the cities, the municipalities, agricultural exhibitions, individuals, can do the same, in short, the day when there are as many fishermen as there is fish, it will then be realized that this clause of the bill left only disillusions and numerous victims among low income people who believed, at one time, that they had found the solution to their problems.

There is another section of the bill that does not leave any room for doubt as regards its efficiency. It is section 16. The purpose of that amending section of the law would be to oblige the driver of a motor vehicle to submit to a breathalizer test whenever it is required by a peace officer who believes, on reasonable and probable grounds, that that person's ability to drive is impaired.

Mr. Speaker, such a procedure will facilitate the work of the peace officers and will also protect citizens against abuses or errors on the part of certain peace officers. We have all seen at one time or another automobile accidents, where policemen failed to do their duty because they were dealing with influential people. It may happen however that small folk become the victims of peace officers. I am thinking about a Quebec City carpenter, head of a family, who after spending the evening at the home of friends, where he had had a few drinks went back home in his car. Now, he saw a policeman on a street corner.

• (4:40 p.m.)

Shaken by the publicity, and in good faith knowing that one must never drive whenever one's ability is impaired by alcohol instead of asking a friend to drive him home, he asked the first policeman he saw to do so. In order to help him, the peace officer accepted to take

the wheel but it was to bring him to jail. The following morning, his employer had to go to the police station to bail out his employee, who had had three bottles of beer in four hours' time.

I am also thinking about a peddler, who earned his living as a retailer. Following a minor accident in a fog, he had told the policemen that he had had two small bottles of beer in a three-hour period prior to the accident. On account of the evidence given by two policemen, the man lost his driving licence for five months. Since he earned his living as a door-to-door retail salesman, he did need his automobile, but there was no way out: he had his driving permit suspended for five months.

It is not often said, but the average honest Quebec resident thinks this is about the same all over the country. The honest Canadian citizen has had at times to deal with the police force. He wants to be protected against abuses by police officers. Again, I say that this new method, the breathalizer test, is highly regarded by my compatriots. I would vote for the clause on this subject were it not for the other repulsive clauses which are included in this bill.

In fact, that part of the bill concerning homosexuality is one among others that is disgusting. In my opinion, the Minister of Justice (Mr. Turner) is a normal person. It is indeed unfortunate that he has been compelled to work on this and to take over this responsibility.

In my opinion, some articles published in *L'Ami de Saint-Benoit-du-Lac* are a good example of the ridiculous situation inherited by the minister. I quote:

> The bill on homosexuality.
>
> The bill which aims at "legalizing" homosexuality will be talked about for quite a while. It would be a pity if honourable members took it upon themselves to enact it in its present form.
>
> All the ballyhooing around that topic gives the impression to many poorly informed people, that homosexuality is a normal thing, while it is a sexual perversion: the bill does not state it, and yet it should be common knowledge. During the debate on a similar bill adopted in England, people at least were courageous enough to tell it like it is, about the scourge of homosexuality. In this country, we heard men and women say on the air—

on C.B.C.

> —that they favour the legislation, because they themselves indulge in that kind of perversion; according to them, their behaviour is quite normal: they are sick, but they do not know it.

[Mr. Godin.]

> Doctors and psychiatrists agree that this deviation may often be cured; but if you allow people to think that it is a normal way of life, it is quite possible that things will get worse, instead of getting better. If authorities would agree to say that it is a disease or an abnormal psychological condition, one cannot imagine that this sexual deviation would be encouraged to spread on a plea of "freedom", as true freedom of the individual is based upon the respect of other peoples' freedom. But human nature being what it is, we can see, with horror and dismay that those who indulge in that kind of behaviour, lead astray other people, for in general they are indifferent towards the opposite sex, if not downright hostile. Is this what they want to legalize?

And the article ends with the following words:

> "But where will it all stop?"

Mr. Speaker, I also have here a long letter from Rev. Gérard Gagnon, of the Collège Sainte-Croix in Montreal. He quotes the comments of Raymond Lacoste, a French journalist who was covering the debates when the British Parliament passed the Bill legalizing homosexuality. I quote:

> The debates have shown us the extent of this evil: from 50 to 60 million unnatural acts are committed every year! The number of sexual offences, from a mere 5,000 per year in 1939, had risen to 20,000 by 1964; at the same time, the number of violent crimes had risen from 2,900 to 23,470, and the number of criminal offences from 303,000 to over one million per year.

Raymond Lacoste continues in a humorous vein which however calls for tears rather than for smiles:

> During the debates we were treated to some "weighty" considerations. Needless to say, when the question was put the ravishing young men with made up eyes who filled the galleries expressed their boundless joy with loud cheers.
>
> The defenders of the "dear boys" put forward all kinds of arguments ... Mr. Wood maintained seriously that homosexuality offers no risk of illegitimate birth! And what good is it to send a homosexual to jail? Is it not like sentencing a "wolf" to a few years in a harem? (This from Mr. Absi, M.P., and it brought a roar of laughter from his colleagues).

Raymond Lacoste concluded by saying that those debates revealed that the moral fibre of British youth was in danger. There are two million homosexuals in Great Britain, which shows the depth of degradation in that country. Could it be there is something rotten in the Kingdom?

Mr. Speaker, like monkeys we are imitating England. Side by side with England, we fought Germany; side by side with England, we won the war and today, like England, we go back to Germany to borrow money. In this

regard, I would like to quote an article published in the newspaper *L'Action* of Wednesday, May 22, 1968:

Thanks to the loan of $162 million credit will become easier to get—

And we are told about the source of this credit granted to us last year.

The first of two new bond issues has been announced last week. It is a matter of $62 million issued in Western Germany marks and it is the Deutsche Bank, a German commercial bank, which will negotiate the loan.

England and Canada, which won the war by bombing Germans, are today kneeling down before them. The conquerors bend the knee before the vanquished. It is not very clever but those are facts.

Therefore I think that the Minister of Justice should not be satisfied with imitating. Obviously, the adoption of the clause regarding homosexuality will help to reduce the number of births and if the mover of the previous bill, No. C-195, the hon. member for Mount Royal, the present Prime Minister (Mr. Trudeau), thought of annihilating the Canadian nation, the present Minister of Justice, after the manner of England, could improve the bill by moving an amendment promoting cannibalism.

In that connection, I should like to quote from a so-called honest newpaper reporting an event which took place in England recently.

Cannibalism had never before reached Great Britain. It is now an accomplished fact. That is at least the opinion of Scotland Yard inspectors who take their stand on actual cases. Yesterday, they found in a house in the north section of London, inhabited by—

—I will not mention whom—

—pâtés of human flesh, salted and potted leg. One foot was simmering in a pressure cooker; an eye had been thrown away in a garbage can. Two persons were arrested and examined. The preserved human flesh was sent to Scotland Yard laboratory. A report will be sent to the Home Office.

• (4:50 p.m.)

Mr. Speaker, Canada was with England against Germany; it is on its side today, to borrow from the former enemy. I think the Prime Minister should not be satisfied with imitating England. He should move an amendment immediately to legalize cannibalism in Canada. It would be a real success. There would be no mistake possible; people would be destroying themselves much faster.

Mr. Speaker, paragraph (b) of subsection (1) of new section 149A deals with another matter. It allows young people of 21 or more to commit certain acts. Now before introducing a bill limiting criminal offences to persons of 21 or over, the Minister of Justice should propose that legislation be passed to compel Canadian people to carry an identity card because in the province of Quebec, people are now exchanging and lending birth certificates. Young people act this way to sneak in liquor stores without trouble. That is why I say that as long as identity cards are not made compulsory in Canada, it will be childish to set age requirements for granting certain authorizations.

With the amendment regarding homosexuality, we can expect weddings. As there are several races in Canada, I think that the Minister of National Revenue (Mr. Benson) should make a statement in order to determine, in the case of weddings between persons of the same sex, in the case of a wedding for instance between an Englishman and a Frenchman, which one of them will be considered as the breadwinner, under the income tax act.

As to the clause of the bill dealing with abortion, previous speakers have eloquently dealt with it. Among them were fathers with 10 or 12 children. I recognize most humbly that it would be useless for me to try and deal with the same subject in the same capacity.

May I quote extracts of a report from the *Haut comité français de la population et de la famille* entitled: "The State face to abortion". I am quoting:

First of all the reader is impressed by the firm position taken on moral grounds.

But over and beyond all those empirical arguments, public Powers are basically facing an option of a moral order.

—among those rules stands respect for human life; now, abortion is unquestionably recognized to-day as the disruption of an autonomous human life.

And the report goes on to say:

Biology catches up today with the intuitions of Christian thought, the basis of our civilization. From the very beginning the Church considered abortion as homicide and nothing allows us today to think otherwise.

"To accept abortion is to accept the destruction of a child who, according to circumstances, has from 40 to 99.5 percent chances to be born normal. Would it not be better then to wait until it is born and to do away only with those children who are actually unsound? As this very idea is indefensible, it becomes clear that the motivation is inadequate. Society is oriented in the opposite direction: the progress of civilization led us to accept of the handicapped and misfits; we help them, seek their rehabilitation, their improvement, first from the human point of view, then from

the medical one. Such efforts are inconsistent with a certain kind of eugenism by way of abortion—

Still, where are the real dregs of mankind to be found? I would like, at this point, to quote Georges Bastide: "It is impossible to dissociate the biological future of the human species from its moral progress; human beings without morals would mean pitiful biological waste soon to be swept away by nature.

I would like now to quote from a bulletin that was published in an Ontario city by the Emergency Organization for the defence of children to be born:

Dear member of Parliament,

Any loyal Canadian citizen cannot help but be frightened as he realizes that Canada is rushing full steam ahead into a population crisis, or rather a depopulation crisis. In some areas of Canada, the birth rate has decreased by more than 60 per cent due to oral contraceptives. This can be proved by the population figures in a single city of Ontario, namely Listowel, reported in the Listowel *Banner* of November 16, 1967:

POPULATION FIGURES, LISTOWEL, ONTARIO

Year	Population	Births
1963	4,246	76

And I spare the house the rest of the table. 1967, 4,447, 27 (up to November)

Such a decline in the birth rate is noticeable throughout Canada. How then can we consider even possible to pass a bill which will legalize the murder of the small number of babies being conceived?

Let us hope that Canada will not make the same mistakes as other countries. Rumania, for instance, brought upon itself such an under population problem that a whole generation was lost. The situation has become so serious that this country, where once abortion could be procured on request has found it necessary to prohibit both abortions and contraceptives.

Once a law is passed, it is difficult to repeal it. You are asked to do your utmost to prevent its passage before it is too late.

This report is signed by the president, Mrs. Olive Héron.

Mr. Speaker, may I call it five o'clock?

Mr. Speaker: Order. Before proceeding with the consideration of private members' business, will the house allow me to revert to the amendment moved earlier today by the hon. member for Compton (Mr. Latulippe)?

The Deputy Speaker then deemed advisable to take it under consideration. Since then, we thought the matter over and I am now ready to give a ruling.

First of all, I must advise the hon. member that in order to be allowed on second reading, an amendment must not relate to particulars

of the clause of the bill it seeks to amend or anticipate on those which might be moved in the standing committee that will consider the said bill.

As indicated in citation 382 of Beauchesne's Fourth Edition, a member may, at the second reading stage, move a declaratory resolution of some principle adverse to those of the bill. Such is not the case here.

Citation 381 of the same author reads as follows:

On the motion for the second reading, it is out of order to discuss the clauses of the Bill.

Similar restrictions can be found in citations 388 and 389 of the same volume.

Therefore, for the reasons I have given, with the co-operation of my colleagues, I regret to say that the amendment moved by the hon. member is out of order and unacceptable at this stage of debate on the bill.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Lotbinière (Mr. Fortin)—National Parks—Quebec—inquiry as to development; the hon. member for Surrey (Mr. Mather)—Post Office Department—effect of increased rates on trade papers publication; the hon. member for Broadview (Mr. Gilbert)—Housing—possibility of referring task force report to committee.

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.

• (5:00 p.m.)

[*English*]

PRIVATE BILLS

CANADA TRUST COMPANY—REPORT STAGE

The house proceeded to the consideration of Bill S-6, respecting the Canada Trust Company, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Max Saltsman (Waterloo) moved:

That clause 1 of the said bill be deleted.

Mr. Speaker: As hon. members may know, the Chair has some doubt whether this proposed amendment is in order. There have been informal discussions about the very interesting point of order that has arisen as a result of the proposed amendment, particularly in view of the new rules under which the house operates. I would invite hon. members who may have comments to make in connection with this amendment to argue the case.

Briefly, the objection that the Chair might have to the bill is that the amendment proposes the deletion of clause 1 of the bill. There is, of course, only one clause to the bill. Perhaps this is an indirect way of inviting hon. members to vote against the bill. That is the difficulty, a difficulty of some substance, with which the Chair is faced at the moment.

Mr. Blair: Mr. Speaker, I think you have stated the problem that arises from the amendment moved by the hon. member for Waterloo (Mr. Saltsman). I do not think it was ever contemplated by the special committee on procedure that Standing Order 75, subsection 5, would be used in a case of this type. As the house is aware, one of the effects of the new Standing Orders adopted just prior to the Christmas recess was to add what is called the report stage to the consideration of any bill, be it public or private. It was provided in Standing Order 75 that at the report stage the issue would be put immediately without debate, whether or not the bill had been amended in committee. It was also provided that only in the event an hon. member had put down a motion at least 24 hours prior to the consideration of the report stage could there be any debate whatever.

I should think that the difficulty, if there be any, about the procedure at this stage might arise from the wording of subsection 5 of Standing Order 75, which reads as follows:

If, not later than twenty-four hours prior to the consideration of a report stage, written notice is given of any motion to amend, delete, insert or restore any clause in a bill, it shall be printed on a notice paper.

It might be considered by some hon. members, as indeed it may well have been considered by the hon. member who has proposed this amendment, that the inclusion in this subsection of the word "delete" gives authority to the house at this stage to consider his motion. It is my submission that this would be an incorrect and imprudent interpretation of the new rule which all of us had hoped would commend itself to the house and facilitate the procedure in this chamber in connection with both public and private bills.

It appears to me, and it is my submission, that the motion which is now before the house offends against the Standing Orders on at least three grounds. First of all, it is, as Your Honour has pointed out, apparently in contrast to the established practice of the house with respect to amendments. Second, it is my submission that it is offensive to the common sense of members in that it asks them to vote twice on a proposition which could be decided on one vote. Third, it is my contention that this type of amendment is not only contrary to the letter of the Standing Orders but certainly contrary to the spirit of the Standing Orders as amended.

May I now refer you, Mr. Speaker, to some of the authorities, with which you are undoubtedly familiar, in support of these arguments. First of all let me refer you to the 17th edition of Erskine May's Parliamentary Practice, page 414. Here the learned author sets out the purpose of an amendment under the heading "Object of an amendment and effect on debate". He states:

The object of an amendment may be either to modify a question in such a way as to increase its acceptability, or to present to the house a different proposition as an alternative to the original question.

My first submission is that the motion to delete the only clause in a one clause bill does not present this house with an alternative to the original question.

The second citation from the same volume to which I wish to refer is to be found at page 418 and deals with the type of amendments that are declared to be inadmissible by the established practice of parliament. One of the species of inadmissible amendments is covered by this statement:

The Speaker has also ruled that an amendment that was merely an expanded negative . . . could not be proposed—

Then there are extensive references to decisions of Speakers of the British house to be found in the footnotes to page 418.

Again I submit that there can be no question about the nature of this amendment. It is in exactly the same form as the vote on the substantive issue which would arise if we were permitted to proceed with the vote at the report stage.

I wish also to refer you, Mr. Speaker, to page 550 of the same volume, where the learned author discusses the proceedings in

the passing of public bills. As reported at this page the learned author states:

• (5:10 p.m.)

An amendment which is equivalent to a negative of the bill, or which would reverse the principle of the bill as agreed to on the second reading, is not admissible—

He goes on to give examples and I draw to your attention the first example cited, Mr. Speaker:

The scope of the Parliamentary Elections, . . . Bill, 1880, being restricted to the repeal of a section in a statute, an amendment which proposed the continuance and extension of that section was ruled out of order. The chairman stated that, though the committee had full power to amend, even to the extent of nullifying the provisions of a bill, they could not insert a clause reversing the principle which the bill, as read a second time, sought to affirm.

I submit the situation we have here is on all fours with the situation depicted in this example, in which an amendment seeking to remove a clause from a one clause bill was ruled out of order.

May I also refer you to Beauchesne, fourth edition, citation 202 (13), which appears at page 170. Here the learned author states:

An amendment to alter the main question, by substituting a proposition with the opposite conclusion, is not an expanded negative and may be moved.

He goes on to say in subsection 14:

An amendment which would produce the same result as if the original motion were simply negatived is out of order.

In my submission it is clear beyond doubt that the effect of a vote on this amendment would be precisely the same as the effect of the vote on the main motion. I was in error in referring Your Honour to Citation 202 (13). I ought to have referred Your Honour to subsection 14.

Mr. Knowles (Winnipeg North Centre): But 13 is much better.

Mr. Blair: I have cited some authorities of long standing which have governed the procedures in this chamber and which, in my submission, the committee of the house had no intention of disturbing by the adoption of the important amendments to the rules immediately before the Christmas recess. I think it would be very serious if the house were to take a stand now on the scope of amendments which can be admitted different from that which has prevailed during the long history of this chamber.

I now wish to address myself to the principle of the law as opposed to the letter of the law. It is clear that the house has already voted on second reading on the very proposition we would now be confronted with if this amendment were adopted. It is also clear that on third reading the same proposition could properly be brought before the house. If hon. members who have moved and seconded this amendment find it is out of order they have the right to call for a recorded vote at the report stage. There can be no question that any new principle, new issue or new matter of substance can be placed before the house by reason of this amendment which merely negatives the main principle of the bill. We should all face the fact that one of the purposes of bringing in the important amendments to our rules was to avoid repetitious debate and to speed up procedures in this chamber. I submit also that in the case of private bills we ought to be concerned that those who bring them before this chamber are not subjected to unfair and discriminatory time-wasting when it is important that decisions be reached.

For all these reasons I submit that this amendment, having regard to all proper considerations, ought to be considered as not being within the rules and declared out of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I submit to my hon. friend for Grenville-Carleton that the issue is not the time we take but the correct interpretation of the rules. He suggested that there was no doubt about the position of this matter; but I would remind him that Your Honour expressed some doubt at the beginning of this hour about this matter and suggested we might discuss it so that this doubt could be resolved.

First, Mr. Speaker, may I, even if in doing so I repeat some of the citations or quotations read by the hon. member for Grenville-Carleton, point out that there is in our rules a provision for bringing in amendments at the report stage. This is what my friend, the hon. member for Waterloo (Mr. Saltsman), has done under the provisions of Standing Order 75(5), which reads as follows:

If, not later than twenty-four hours prior to the consideration of a report stage, written notice is given of any motion to amend, delete, insert or restore any clause in a bill, it shall be printed on a notice paper.

My hon. friend from Waterloo has given notice of an amendment to delete clause 1 of Bill S-6. He is now claiming the right to move his motion and have it debated and voted on under other parts of Standing Order 75.

My hon. friend from Grenville-Carleton bases his entire objection to this procedure on the ground that there is only one matter before us, namely, clause 1 of Bill S-6. May I remind him that Bill S-6 contains three parts: a title, a preamble and a clause. May I also remind him that our authorities make many references to these various parts of a bill, the title, the preamble and the clauses. My hon. friend from Waterloo has not moved an amendment to one part of a bill containing one part only; he has moved an amendment touching one of three parts of the bill, namely, touching clause 1.

I confess I had no notice that the hon. member for Grenville-Carleton would raise this point of order and I have not had time to find all the authorities on this subject. May I draw to your attention, Mr. Speaker, Standing Order 78(1) of the rules which existed before last December. I believe this provision must have been carried forward to the new rules in some way. The old rules said this:

In proceedings in committee of the whole House upon bills, the preamble is first postponed—

And I draw to your attention, after some intervening lines, these significant words:

—the preamble and title to be last considered.

In other words it is not just an independent opinion of mine that there are three parts to a bill, the title, preamble and clause or clauses. Those three parts are mentioned in the old Standing Orders and in several citations. May I also say to the hon. member for Grenville-Carleton that the case he relied on most heavily was before another parliament and, as I understood, related to a public bill. This, I suggest to Your Honour, is a different kettle of fish. This is a private bill and authorities like Beauchesne make it clear that in the case of a private bill the preamble is more significant than in a public bill, be it a private bill or a private members' public bill. The preamble is something that must be proven before the bill can be proceeded with. At the moment I am not saying whether the preamble has been proven. I am saying it is an integral part of this bill separate from the clause just as the title is a separate part. To vote on only part of the total bill is not the same as taking a vote on the bill as a whole. My hon. friend contends that because this is a one-clause bill a vote on the amendment moved by the hon. member for Waterloo (Mr. Saltsman) is simply an expanded negative. I submit that would be true if there were nothing else to the bill except clause 1. However, there are three parts, the title, the preamble and the clause.

• (5:20 p.m.)

What I want to say now is perhaps a little out of sequence, but I should like to point out that the idea of an amendment to delete a clause is not only enshrined in Standing Order 75, which I quoted a moment ago, but it was put to the test yesterday. The hon. member for Saskatoon-Biggar moved an amendment at the report stage yesterday when we were debating Bill C-155 to the effect that Clause 13(3) of the said bill be deleted. One could have argued that that was an expanded negative. It was just a way of voting against subclause 3 of clause 13 of that bill. No one raised that point. I believe it is in keeping with the provision in this Standing Order that it should be possible to vote at the report stage, not against the bill as a whole but for or against the deletion of a part of that bill. If it was in order to do that yesterday on the amendment moved by the hon. member for Saskatoon-Biggar, then I submit it is possible to do so today.

I return to the main point which is being made by the hon. member for Grenville-Carleton (Mr. Blair). If it were true there is nothing before us at the report stage but a clause, I admit he would have a pretty strong argument about its being an expanded negative just to defeat that clause, but there is not before us just a clause. There are three parts of the bill before us, the title, the preamble and the clause.

The preamble to a private bill is not the same as in a public bill which in some cases merely states:

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

It is something which has to be proven. In this case the preamble reads as follows:

Whereas the Canada Trust Company, hereinafter called "the Corporation", has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

That, Mr. Speaker, is a debatable proposition.

Some hon. Members: Oh, oh.

Mr. Knowles (Winnipeg North Centre): There must be some humour which escapes me. I welcome the laughter. At least I am being listened to.

Mr. Blair: We hope the point of humour does not escape you.

Mr. Knowles (Winnipeg North Centre): In the days when we went into Committee of the Whole on a private bill, and this is still true in the standing committee to which a private bill is referred, the preamble to a private bill is debatable. It is not just a simple phrase—"therefore be it enacted". It contains allegations. It is cited in Beauchesne that the preamble is something which must be proven. I am talking at length about the preamble of this bill not because I am arguing or debating its validity, but to emphasize the fact it has to be proven. I am trying to make the point it is a separate proposition from the clause itself. What is before us is not just a one-shot item. It has three parts, the title, preamble and clause.

I submit it should be in order to move this kind of amendment. I suppose the hon. member, instead of moving this amendment to delete clause 1, could have moved an amendment to delete the preamble. Would the same argument have been raised? If Standing Order 75 envisages debate at the report stage when amendments are put down it does not seem consistent with that decision of the house to say on a point of order that a bill with only one clause in it is not debatable at this stage. I ask you, Mr. Speaker, to consider that if this point of order raised by the hon. member for Grenville-Carleton is sustained what would stop the government from bringing in one-clause bills from now on? The government is pretty good at that. They are not only good at omnibus bills. They can write an awful lot into one clause. Any bill which the government did not want debated at the report stage could be presented as a bill with only one clause.

Mr. Aiken: That is the best argument you have come up with.

Mr. Knowles (Winnipeg North Centre): There have been such bills. Sometimes a government amending bill seems to amend two or three sections of the original bill by lumping them all into a one-clause bill. This would result in one-clause bills, although they might cover a dozen subjects, not being capable of being amended or debated at the report stage.

I welcome the word of approval I just got from my "N.D.P." friend from Parry Sound-Muskoka. That is a reference to an error made by the press a while ago which we both enjoyed. Come on over.

Denial of the right to move an amendment to a one-clause bill is opening the door to tactics by which the right of debate at the report stage could be taken away. I submit, Mr. Speaker, this is an important point. I recognize the validity of your raising the question and asking that it be discussed. I submit very strongly that we did provide for debate at the report stage, not on the bill as a whole or of a general character but on the clauses. What my friend has done has been in keeping with the rules. He is asking that the one clause be deleted. That is separate from the question whether the title or preamble carries. I realize they would not be worth much without the clause. They are separate parts from the clause itself.

If I may borrow the language used by the hon. member for Grenville-Carleton, Mr. Speaker, there is no doubt at all but that this amendment is in order.

Mr. Aiken: I did not have the opportunity, Mr. Speaker, of looking up the references. I must admit I was completely against the argument of the hon. member for Winnipeg North Centre until he pulled the last arrow from his quiver.

Mr. Knowles (Winnipeg North Centre): The hon. member was looking at me. Perhaps it was mental telepathy.

• (5:30 p.m.)

Mr. Aiken: I really could not accept his argument that striking out the clause would not in fact be a negative. The reason is that rule 75 does not permit the amendment of the preamble or the title. It refers only to deleting a clause. His suggestion that perhaps the reverse might be true and that he might move to delete the preamble, and therefore the clause, does not follow. I could not say as a matter of realism that the rules should be applied to permit a negative vote by deleting the only clause in the bill.

However, I was quite impressed with the last suggestion made by the hon. member that refusing leave to delete the only clause would open the way to the government to introduce several subjects in one clause, and thus prevent any amendment on report stage. We have argued strongly against the introduction of many subjects in one bill. For that reason alone I would think a restricted interpretation of the actual words of the rule should be followed, and the amendment be allowed.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I notice that you are asking hon. members, according to standing order 75 (10), to

give a few explanations concerning the proposed amendment which seems both in order and out of order for various reasons.

I would like to indicate that keeping in mind certain arguments that have been voiced—if we were in the process of discussing a public bill, I would think that the amendment proposed by the hon. member for Waterloo (Mr. Saltsman) would be quite in order for the simple reason that the procedure concerning public bills is different from that of private bills. On this subject, I do not intend to repeat the arguments put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) which, in my opinion, were quite appropriate.

However, Mr. Speaker, we are now discussing a private bill and consequently, a difference must be established. If, on discussing a private bill, we had reached the first, second or third reading, the amendment could be declared out of order since this would create a precedent according to the parliamentary procedure.

On the other hand, Mr. Speaker, as we are now discussing a committee report—I have obtained legal counsel on this point—I would think, as it was mentioned a minute ago, that at the committee report stage, it may be that the amendment is in order. In parliamentary wording, this is known as a "Motion to delete".

Another argument which, in my opinion, is quite appropriate and with which I agree, Mr. Speaker, although I am not an expert in this matter, is the proposition voiced by the hon. member for Winnipeg North Centre who said that a bill must be distinguished as to its various parts. Hence, I do not agree with the hon. member who first voiced his opinion on this subject and who said that this amendment is equal to the bill being rejected, as a distinction must be established between the different parts of a bill, namely the title, the preamble and the several paragraphs included in it.

The amendment is intended to repeal clause 1 and, in this connection, we could refer to standing order 75 (5) and say that such a thing is possible, and I quote:

> If, not later than twenty-four hours prior to the consideration of a report stage, written notice is given of any motion to amend, delete, insert or restore any clause in a bill, it shall be printed on a notice paper.

And this is in order, Mr. Speaker, since such a situation is provided for in the Standing Orders. Therefore, this is not a precedent at the committee report stage in that respect, since it is mentioned in the Standing Orders.

Mr. Speaker, I would not like to delay this debate any further. I think your skill and your experience will enable you to take in the situation, but I wish to tell you that we appreciated it when you asked for the advice of hon. members before ruling the motion in order or out of order.

As far as we are concerned, Mr. Speaker, we wish to say, with all due respect, that we would welcome your ruling it in order, for the simple reason that the first clause, and not the preamble, is involved.

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, because we are attempting to develop the new rules to be meaningful to us, it is necessary for us to explore as much as we can all the ramifications involved in any new proposal such as this. Most of us do not have the advantage that the hon. member for Grenville-Carleton (Mr. Blair) had in being involved intimately in the discussions of the Special Committee on Procedure, and therefore we are at a loss to know, when he says such a thing was not contemplated in the discussions, whether there is any meaning to this.

Mr. Knowles (Winnipeg North Centre): That is his view.

Mr. Howard (Skeena): That is his interpretation of what took place in that committee, but even if the committee did not contemplate such an eventuality as the motion to amend that is before us, this does not mean it is invalid just because the committee did not think that far ahead of itself in developing these rules.

I hope I will be pardoned, Mr. Speaker, if I read Standing Order 75(5) and place a certain construction on it that may assist you immeasurably. It says:

> If, not later than twenty-four hours prior to the consideration of a report stage, written notice is given of any motion to amend, delete, insert or restore any clause in a bill, it shall be printed on a notice paper.

I want to make the point that there is a distinction in using the word "any." I am quite sure that the procedure committee carefully selected that word to be used in the broadest possible sense.

If the committee had meant this to be restricted, to give it the meaning that the hon. member for Grenville-Carleton submitted, it would have used the word "a", and thus it would have appeared:

> —written notice is given of a motion to amend . . . insert or restore a clause in a bill—

Because the word "any" is used in both cases it is implicit that it is to be interpreted in the broadest possible way and relates to any clause in any bill. That is what is before us, a motion to delete any clause in any bill, namely, clause No. 1.

I now refer to Standing Order 75(8) which states:

When the order of the day for the consideration of a report stage is called, any amendment—

Again I underline that word any. It states "any amendment," not an amendment, or a particular amendment.

—any amendment of which notice has been given in accordance with section (5) of this order shall be open to debate and amendment.

That is what we have before us "any amendment", namely, the one to delete clause 1.

I do not want to go into the very substantial argument put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) that the bill consists of more than a clause, and that the use of the word any in both those instances should lead us on to the conclusion that it is to be applied in its broadest possible sense, applied in that way particularly because what we have before us is a procedural aspect of things, namely, a report from a standing committee that considered a certain bill.

If we were following the old rules of procedure and had gone into committee of the whole to consider the bill then the bill itself would be before us. But what we have before us now is a procedural item, namely, the report stage of the bill, and we should not be and cannot be precluded from moving an amendment such as that proposed by the hon. member for Waterloo (Mr. Saltsman). The argument that this is a negative or an expanded negative does not hold water because we are at report stage. If we were in the committee of the whole considering clause 1 or any other clause and a motion were made to delete a particular clause that would be a direct negative. In all probability, you would rule it out of order without inviting discussion. In this case you have expressed a doubt.

• (5:40 p.m.)

I infer from what the hon. member for Grenville-Carleton (Mr. Blair) has said, that if the motion to amend is out of order there will be no debate at the report stage. In other words, there will be no opportunity for the house to deal with the report itself. You must remember that the standing committee is only an extension of the house. There would then be no opportunity to have a counterbalancing action at the report stage. In this sense, if the contention of the hon. member for Grenville-Carleton has any validity at all, and I know there is a change—

[Mr. Howard (Skeena).]

Mr. Speaker: Order, please. I wonder whether the hon. member is convinced that his argument to this point has been strong enough to satisfy the Chair. I might inform the hon. member that after listening to all the arguments I am in a position to express an opinion and render a decision. Perhaps to satisfy the hon. member for Skeena (Mr. Howard) I might say that I do not think he could say much more which would change my mind, because I am satisfied that the position he has adopted is probably the correct one.

I was very impressed by the arguments advanced by the hon. member for Grenville-Carleton. Even though I was impressed, I was not convinced. There are considerations which the Chair cannot overlook, in particular the very words used in the standing order which indicate clearly that an hon. member may do certain things at this stage of the proceedings, one of which is to move the deletion of a clause.

If the committee did not think this provision should apply to a bill which has only one clause it seems to me that should have been spelled out in some way by words or explanations. If the hon. member for Grenville-Carleton thinks that was not what was contemplated by the committee, then that aspect should be looked into. At this time we are trying to interpret the rules to the best of our joint abilities, by putting our heads together to decide in what way these rules can be interpreted reasonably. I see no possibility of interpreting this rule in any other way than what it clearly suggests.

The hon. member has cited a number of interesting quotations from Beauchesne's and May's, but it is my understanding that the citations were based on precedents which did not occur at the same stage of consideration of a bill. That is my understanding of the citations from Beauchesne's and May's.

I should like hon. members to consider this citation from May's seventeenth edition at page 566, dealing with a report stage which is substantially the same as we have under our new rules:

Amendments are moved to the bill, not to a particular clause, and amendments to leave out a clause, series of clauses or the preamble, are moved as amendments to the bill; and no question is put for each clause standing as part of the bill.

In the committee of the whole the motion is to adopt a clause. At that stage, if an hon. member moves an amendment that the clause be deleted, it is an expanded negative. However, at the report stage there is no motion to adopt a clause and a motion to delete stands by itself; so we have an absolute motion.

What the hon. member is suggesting is not an amendment to a clause but a motion to amend or, in effect, modify the bill itself. For this reason, I respectfully suggest to the hon. member that the precedents to which he has referred are not applicable to this stage of the proceedings.

I might also say that I am worried about the possible consequence which would result from a decision that this motion is out of order. If there were three clauses to a bill and there were three motions moved by three hon. members, each one of them feeling that for good reasons the particular clauses should be deleted, the Chair would then have to rule that these three motions, having as a consequence the loss of the bill, would not be acceptable. This example would indicate that it would be very difficult to make a distinction between a motion to amend a bill which contains only one clause and a motion to amend a bill which contains two, three or more clauses. For these reasons I would be inclined to think that the motion proposed by the hon. member for Waterloo (Mr. Saltsman) should be accepted by the Chair.

I thank hon. members for their valuable contributions. If it is felt that this interpretation of the rules results in difficulties, I suggest that hon. members who take part in the deliberations of the procedure committee should give the situation further thought. Then, the hon. member for Grenville-Carleton, who plays such an important role on that committee, would be placed in a particularly strong position in advancing the views he has submitted to the house this afternoon.

In view of the proceedings with which we will be faced in a moment, is it agreed that this bill be allowed to stand for consideration?

Mr. Peters: No.

Mr. Howard: Proceed with it.

Mr. Peters: Call the bill.

Mr. Speaker: It is my understanding that the motion has been put to the house. In order to be sure that hon. members are familiar with the motion, perhaps I should repeat that the hon. member for Waterloo moved that clause 1 be deleted from the bill. Is it the pleasure of the house to adopt the said motion?

Mr. Saltsman: Mr. Speaker, I felt there was sufficient controversy without raising any more about the amendment. It is very important that we have an opportunity to debate this bill. I opposed it at the committee stage and I was perhaps the only one who objected to it at that time. I am very grateful now for the opportunity of presenting my arguments to the house.

The arguments I wish to place before Your Honour are not just arguments concerning this particular company, namely the Canada Trust Company. My arguments relate to all financial institutions in this country, and whether or not they should be granted increases in their authorized capital at this time. There is no desire on our part to single out this particular company. The bill concerning this company happens to be before the house, and is therefore the one that has to be debated. Other companies who make the same request will receive the same kind of scrutiny. We intend to raise the same kind of questions in respect of companies asking for an increase in authorized capital.

• (5:50 p.m.)

Mr. Blair: Mr. Speaker, I did not raise the point of order but have spoken to it. I was quite surprised that a way was not found whereby this matter could stand over for debate. I rise now on a point of order. We are debating a bill to increase the capital of one company. I suggest, for the consideration of Your Honour, that my hon. friend is placing himself out of order immediately by saying that he does not really consider it important to speak to this measure but is speaking to the general issues. He is simply using this measure as a vehicle for the propagation of his particular views on public policy.

Mr. Knowles (Winnipeg North Centre): Don't show your annoyance.

Mr. Saltsman: Mr. Speaker, I regret that the hon. member for Grenville-Carleton misinterpreted my remarks. That is the kindest way I can put it. I think it is fairly obvious that we are definitely opposed to this bill. The point I was trying to make, and I hope the hon. member appreciates it, is that we are not singling out any particular company.

Mr. Speaker: Order, please. I have to remind the hon. member that the point of

order raised by the hon. member for Grenville-Carleton (Mr. Blair) is well taken, particularly if the hon. member considers that this is the report stage of the proceedings. The arguments now being advanced by the hon. member could be made to the house on third reading. The proposal now before the house is not for third reading of this bill but consideration of a particular amendment.

It may be that the position taken by the hon. member is an indication that the decision of the Chair was not right. If the hon. member is now suggesting that he can, at the report stage, advance exactly the same arguments that can be put forward on second and third reading, that might be a very good argument. I emphasize that the house is now considering the amendment moved by the hon. member. I suggest to him that at the report stage the rule of relevancy has to be applied very strictly. If the hon. member wants to make a general statement, he will have to do it on third reading; he cannot do it at the report stage.

Mr. Saltsman: Mr. Speaker, I will be guided by your advice, naturally. Since this is one of the first items with which we have dealt at the report stage, it will take a little time before hon. members know the limits of debate to be set by Your Honour in respect of this type of measure.

I would like to refer to some of the evidence given to the committee because therein lies the point of our objection to this bill. Before the Finance, Trade and Economic Affairs Committee on January 21, Mr. Taylor, when speaking about the Huron and Erie Mortgage Corporation said the following, which will be found on page 995 of the Minutes of Proceedings and Evidence No. 18:

> (There is a) shortage of capital that is plaguing virtually every country in the western world—

Then he said that this shortage of capital is certainly spreading to us and is having a very severe effect on the raising of interest rates. He continued:

> I also think the fact that in both the private and public sectors in Canada we have been trying to do too much in too short a time with the capital we have. We have only so much capital to use. We have been trying to use it for all manner of productive and non-productive purposes and the demand is just tremendous.

This raises the important question of the allocation of capital. The government of Canada has been attempting to restrict its activities. We think it has restricted its activities too much. The Government has stayed out of the money markets at a time when it should have been going into them to obtain capital for the needed expansion of housing, to fight a war on poverty and do all those things that our country requires at this time.

Mr. Blair: Mr. Speaker, it is with extreme regret, but also with firm conviction, that I intervene again on a point of order. It seems to me that the hon. member could not have heard your injunction that the rules of relevancy apply at this stage of debate. He is now addressing himself to the widest questions of public policy. What the hon. member is saying has no relevance to the particular private measure before the house. I suggest again, for the consideration of all hon. members, that it is not appropriate in connection with a private bill of this type to expand the debate into the broadest issues of public policy affecting the financial policy of the country.

Mr. Saltsman: On that point of order, Mr. Speaker, I think it is quite relevant. We are considering a report from the committee. I am reading from the evidence given to the committee to indicate what the argument is. I think this is very relevant at the report stage. Naturally, you cannot raise any question without dealing with the broader implications involved. What is sought in connection with the Huron and Erie Mortgage Corporation and the Canada Trust Company involves the broad question of capital allocation. That is what we are trying to discuss at this moment. We are pointing out that an increase in authorized capital of the Canada Trust Company would inhibit the opportunity of the government to do its financing in the capital markets. This is the whole point of the argument. This company can go into the money market, because it has attained an increase in its authorized capital, and divert funds to itself, to the private sector.

Mr. Speaker: Order, please. Having consulted hon. members earlier today and being grateful to them for the advice they gave the Chair, I should like at this time to consult them again and ascertain whether it is the wish of hon. members that the house should suspend its sitting, in view of the fact that it is six o'clock, or whether we should adjourn. We are informed that the Deputy to His Excellency the Governor General was to be in the other place in the course of the afternoon. I would like to get the advice of hon. members on this very important point of procedure.

Mr. Howard: Mr. Speaker, it would seem to me that the hour for private members' business having expired, we could conclude that

part of our business and wait for the Deputy to His Excellency the Governor General to call upon us.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: The hour set aside for the consideration of private members' business has now expired.

Mr. Knowles (Winnipeg North Centre): So what do we do now?

Mr. Aiken: Wait.

• (6:10 p.m.)

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Deputy of His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy of His Excellency the Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An Act to amend the Canada Evidence Act.

An Act respecting the marking of articles containing precious metals.

An Act to amend the Aeronautics Act.

An Act to amend the Navigable Waters Protection Act.

An Act to amend the Prairie Grain Advance Payments Act.

At 6.17 p.m. the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Béchard): I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate has passed the following bills to which the concurrence of this house is desired: Bill S-26, an act to prohibit the advertising, sale and importation of hazardous products; Bill S-28, an act to amend the Co-Operative Credit Associations Act.

The house will now resume the business that was interrupted at five o'clock.

GOVERNMENT ORDERS

CRIMINAL CODE

The house resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-150, 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, the Customs Tariff and the National Defence Act, be read a second time and referred to the Standing Committee on Justice and Legal Affairs.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, before the recess I was mentioning the adverse effects which followed the legalization of abortion in some European countries.

At this stage, I would like to quote from a publication sent to me by the Emergency Organization for the Defence of Unborn Children. It is Bulletin No. 3 and I quote:

According to the figures of the World Health Organization, the world's highest suicide rates among women between 20 and 29 years of age are found in Japan and Hungary—the two countries with the highest abortion rates.

As to the results of abortion in Japan, Dr. Nobuo Shinozaki, of the Department of Health and Welfare of Japan, stated that there are more suicides among women under 24 than ever before, and that many sexual and nervous problems are due to same.

In Japan, where abortion is available practically on request, the number of births for the last ten years was not enough to replace the parents after one generation. According to Father Anthony Zimmermann, the well known priest-demographer, there are serious indications that if the compulsive trend for abortion continues in that country, the Japanese race will become extinct.

And I continue Mr. Speaker, with the views expressed by Father J.-Alphonse Beaulieu in the readers' column of a Quebec newspaper, under the title "The conscience of our M.P.'s". I quote:

It is settled. The omnibus bill legalizing among other things abortion and homosexuality will be back before parliament at the next session. What will be the attitude of our law makers faced with this challenge to our religious beliefs?

Can we, under the plea of a "pluralistic society" introduce a legislation that clashes so fiercely with natural law and social order, and, thus, with christian conscience?

Moreover, pluralistic or not, more than 90% of our Canadian society believes in God, and this is an imperative.

How can they refer to "pluralism of beliefs" to ballyhoo, without hurting the majority, a legislation in keeping with the more than dubious opinions of a very small minority? If they are dead set on demeaning themselves in the eyes of the people by introducing such a putrid legislation, let

them at least allow members to vote according to their conscience. It is illogical to oblige in order to permit . . . to command so as to let people do what they want.

Why link this measure to a vote of confidence and bind the fate of the government to such a controversial legislation?

A free vote had been accepted on the bill relating to the abolition of capital punishment. Why not a free vote on the imposition of another capital punishment: the "Slaughter of Innocents"?

If the bill is preserved as presented, the member of Parliament who is a believer will have to make the best of it and to remind himself that he is a Christian before being a member of a party. Religious beliefs are not to be traded in a multi-racial society for political ideology. In any event, compulsion is a thing of the past in our time of progress, and it must be "aborted" as soon as possible.

There is so much ado about personal freedom these days that, to say the least, this is an odd and indecent practice to order a "wholesale vote", especially after having touted "pluralism". The *Humanae Vitae* encyclical again points out to the legislators that they must not allow "a degradation of the moral tenets of nations through legal processes . . . through practices which are contrary to natural and divine law". Paul VI is only continuing the teachings of his predecessor, John XXIII, who had warned public authorities that the problems resulting from the trends of populations "must not be solved through methods that would be unworthy of mankind and which may be explained as a purely materialistic concept of man himself and of life" (*Mater et Magistra*)

Mr. Speaker, when in a country such as ours which does not know how to dispose of its overproduction, we are called upon to approve legislation which would encourage mass murder, I think it is appropriate that we should ask ourselves questions and give serious consideration to the massacres that have taken place before. Let us remember the slaying of all the first-born in the Egyptian families. In Palestine, when Christ was born, there was the total slaughter of the Holy Innocents in the hope of killing the God Child. Under Nero, there was yet another slaughter of hundreds of thousands of citizens. In Cyprus, in Greece, in Egypt, people have been slain by millions. In 1918, in Hungary, there were 30,000 people butchered in three months' time. In Russia, at about the same time, 2 million bishops, priests, army officers, police officers, middle-class people, teachers, engineers, workers, farmers, were killed in the space of 18 months while at the same time, 30 million people were starved to death because of the unrest. And for the past 18 years, a very similar kind of slaughter has cost 12 million Chinese their life.

Remembering all these facts and considering the background of the member for Mont Royal (Mr. Trudeau) who is now Prime Minister, I wonder, Mr. Speaker, if the present government, with its loathsome laws on divorce, on abortion, on homosexuality, is not simply the tool of a dreadful plot against our civilization.

On the other hand; if this is not the case let us draw the conclusion that the omnibus bill should be split so as to provide every member with the opportunity to vote according to his religious beliefs and to the voice of his conscience.

The member, on his part, has to assume his responsibilities as a Christian and remember he owes his life to a Supreme Being whom he should please rather than try to please man, even if his own future or the future of his party were to be at stake.

To conclude, Mr. Speaker, may I suggest the consequences of this bill should be considered right now. Either you decide you are going to let yourself be submerged by a wave of depravation, or you resolve to assume your responsibilities.

Some hon. Members: Hear, hear.

Mr. Roch La Salle (Joliette): Mr. Speaker, I will devote the few minutes at my disposal to express certain views about this bill which has been so much debated and which is so debatable.

For a few months, I have sometimes read or listened to certain speeches in this house and I have realized the attitude of the present government. I think it is normal that we support certain laws when we think they will be advantageous for the population. If we study the present bill so actively today, it is because it is very important. Many things have been said, but for my part my comments will be brief. I do not want to repeat all the figures that have been mentioned since the beginning of this debate. But when one talks of a bill that elicits so many important amendments to the Criminal Code, like the lotteries, the carrying of firearms, abortion, homosexuality and when one is asked for a blanket I wonder how we can do it conscientiously and in all fairness. How can we vote freely on subjects that are so different and so controversial.

We have asked like others for a freedom at the level of the members of Parliament. We have asked for the division of the bill and we still think that every member in the house should be free to vote according to his conscience. It is of course impossible to ask members with different mentalities to think the same way. Since this bill covers many subjects, I think one must treat each member

with the utmost respect, and this respect requires that hon. members be offered or given this freedom of conscience.

Mr. Speaker, I know perfectly well that because of their commitment towards their party, several members will feel badly when the time has come to vote on this bill. They will not say they are forcing them, but they will force them just the same to find reasons for not being at variance with the right hon. Prime Minister and for not placing their party in an awkward position.

I believe opinions expressed by important newspapers, those from counsellors and the representations made here in this house, should prompt members to require that the bill be split so as not to put some of us in a position that would be embarrassing to some members.

Sure enough, this bill includes provisions we are willing to support straight off. However, the bill as a whole does not permit me to accept its present wording, for it deals with lotteries. It deals with lotteries, the carrying of firearms, as well as with a very controversial subject, namely abortion. In the case of abortion a committee of three medical practitioners will have to decide whether abortion is to be proceeded with, in order to protect any person who is seeking one.

There is a section I am far from agreeing with, it is the one dealing with homosexuality. It is well recognized that there is a mental aspect, to consider. It is recognized that homosexuals are probably sick people. Personally I would like to believe they are. Therefore we should suggest the building of certain hospitals where the government would do its utmost to provide the services of certain specialists, who could take care of such people whose behaviour, to me, is completely abnormal.

Figures up to 10 per cent have been mentioned. I dare not believe it. But the fact remains that this bill will be discussed and passed by men, in this house. I have the distinct impression that they are not half men and because I am certain that they are men, we shall be able to deal with the bill humanly, of course, but realistically. I will certainly not accept to vote on this bill blindly, especially when we know that the situation at the present time in our society is most disturbing.

There is a danger of corruption and rot in society and I think that the government should—and I would subscribe to such a measure—work so as to be able to treat homosexuals and care for them.

Reprisals are out of the question or sending them to prison. Instead of reprisals against those individuals, who are a danger for society—we must admit it, and I think that we all do—I think that it would be fairer and more useful to send them to hospital to be treated.

I think that is the measure we should support. This is a way which enables us to improve society; however far be it from me to accept this thing as natural or normal.

I know that some will say that a complete improvement of society is impossible. That is obvious, but I cannot accept the bill, because it is against my principles and my nature.

I shall dispense with statistics. Several hon. members have quoted some earlier. I shall ask simply the government and the hon. members not to turn a deaf ear to the representations that are being made, especially if one takes into account the opinions that are expressed from one end of the country to the other and the fair amount of mail that the members receive from people who are qualified and serious.

The duty must always be performed in the common interest. We must try to give our society laws which tend to help it. To ignore those representations will simply mean refusing to listen or to meet the wishes of the people.

I think that when any legislation is introduced in the house, normally there is always an important part of the population that wishes for and wants its adoption. Now, it would not be true to say that the majority of the people wants the bill passed as it is drawn up, and personally, I have proof to the contrary. I know it is not a question of the majority, when we talk of 10 per cent in relation to a particular field, and I do not think that a majority must subscribe to such a legislation. Once again, while analyzing in depth all the clauses of the bill, we must first act freely about it. In this way, we will give to parliament an opinion that will be more accurate, more sincere and more concrete.

When we dealt with the question of the death penalty, nobody objected indeed everybody was pleased I think to have a free vote, in parliament and freedom of thought according to one's conscience.

By its very nature, the bill under consideration now requires this same freedom and I am pleased to say that we are given this advantage of voting freely, according to our own conscience, on this bill. I am convinced that all hon. members, including the government members, would like to enjoy that same freedom.

Therefore we recommend and hope they may enjoy such freedom, as I am convinced

they will then be able to vote according to their own beliefs and conscience much more than according to their commitment towards a party. In fact, I would scarcely understand or not understand at all the present government's attitude if they obliged members to vote according to a principle, to a party's policy.

Now Mr. Speaker, the purpose of those few comments is not to take some of the other members' time. They surely have different opinions to express, and personally I remain deeply convinced that we have the right to require and to recommend freedom to vote according to our own conscience as well as the splitting of this bill. Thus, every member, the government members as well as those from the opposition, will be able by expressing their opinion and adopting a definite position, to serve society better.

[*English*]

Mr. Harold E. Winch (Vancouver East): For many years, Mr. Speaker, we have been hearing about the studies that were being undertaken in the Department of Justice to review the Criminal Code with the intention of introducing an omnibus amending act. Therefore, I can say that I welcome the opportunity this evening of making a few comments on Bill C-150. There is undoubtedly a great deal which we can support in the numerous amendments contained in the amending bill. My only regret is that in introducing the amendments the Department of Justice has seen fit to give us half measures on occasion rather than full measures, to move forward half a step instead of a full step.

It is also regrettable that in the introduction of such an omnibus bill, covering as it does 126 pages, they omitted a number of important matters which the house has been waiting to discuss. It is obvious from the correspondence all members have received, and from the speeches made in this house on this bill, that there is a great deal of interest and concern in the section which deals with abortion.

The first speaker this evening stated hon. members should have the opportunity to vote according to their religion and conscience. I wish those who have said there should be the opportunity to vote according to their religion and conscience had added the words, and knowledge and understanding.

Before I was elected to this house in 1953 I had the privilege of spending a number of years in the British Columbia legislature. During those years as an M.L.A. it was my policy each year to visit all provincial institutions, homes for the elderly, jails, reformatories, tuberculosis hospitals and mental asylums. I would like to mention one institution which I visited. I will call it the children's home provincial institution. I wish all hon. members had the opportunity to visit these asylums and provincial institutions for children. Possibly then they would understand what I mean when I say, members should vote according to their knowledge. I am not referring to what is commonly called backward or retarded children, but to those who although they have the breath of life are vegetables. Hundreds of times over the years while visiting these institutions as a member of parliament I have seen children born of a moronic father and moronic daughter. I have seen the result of a moronic boy committing incest with a moronic sister.

In going through an institution in New Westminster I have looked down into a baby's crib and have seen what I considered to be a six or seven year old child who was nothing but skin and bone, and later discovered this child was 14 years of age. I would say this child was breathing but certainly not living. I have no hesitation in saying that not only must we consider the right to be born but we must also consider the right not to be born a vegetable that medical science can keep alive until you and I are probably long dead.

• (8:30 p.m.)

I wish that all hon. members could have met, seen and tried to talk to school girls who had been raped, and who could not take the shock. I am speaking of those who did not recover and who are spending the rest of their days in the insane asylum. Having spoken to doctors, I was told that had they had the legal right to be aborted after rape they would never have gone into mental institutions.

I seriously ask hon. members to consider these matters and honestly try to provide answers. Even this bill is not going to resolve the problem. It is a step forward but I would prophesy that there will be just as many illegal abortions when this bill becomes law as there are at present, with the same risk to the life of the woman resulting from an illegal abortion.

As I say, we should think of the right not to be born as a vegetable. We should think of protecting the life and health of a woman if, for good and sufficient reasons, she does not want to bear a child once impregnated. Surely, we will eventually come to the understanding that the question of abortion is

not a matter of criminal law, but should be left to the relationship and the understanding between the woman concerned and her doctor. I am convinced we will eventually come to that position. I can only wish that were the issue we were facing this evening in making a decision on this part of the bill. Even though this amendment is only a partial step forward, let us not turn it down from a biased, non-understanding point of view. Let us think before we cast our votes on this issue.

As a member of a provincial legislature I visited provincial institutions, and since becoming a member of this House of Commons I have tried to follow a similar policy. One type of institution which I visit is the penitentiaries of Canada. Though we have many amendments before us, I want to express my regret that they do not include an amendment to wipe from our statute books the policy of corporal punishment. Canada is one of the few countries of the so-called civilized world that still retains corporal punishment on its statute books. I am not one who believes in the molly-coddling of criminals. Society has got to be protected, and we have to try and rehabilitate people from their anti-social attitudes and objectives. But there is no need to retain the barbarous system of corporal punishment.

We are to decide this issue here as members of parliament, but how many members actually know what it is all about? How many have visited the penitentiaries, looked at and handled the strap or the lash? How many of us have seen the backs and the backsides of men after they have been strapped and lashed, and are in the hospital section of the penitentiary? I have, and on more than one occasion. It is completely punitive; it is non-rehabilitative. The evidence given before the joint committee of the House of Commons and Senate some years ago was conclusive. When you give a man the lash, or the paddle you don't put him in the mood for rehabilitation. You make him antagonistic to society. You add to his antisocial behaviour. You don't assist in developing his social consciousness.

I have spoken to many of the boys in reformatories and the men in penitentiaries and they are almost unanimous, as are the guards and the officials in the penitientiaries, that corporal punishment is not rehabilitative. It is archaic and should be eliminated.

I actually know of one boy who got the paddle in a reformatory. His reaction was such that when he was released there was only one thing in his mind, and that was to get back at the one who bent him over and lacerated his backside. You know, Mr. Speaker, there are holes in the paddle and it tears the flesh. That boy was so affected that he actually had the guard who paddled him over the sights of a rifle and but for a colleague who deterred him he would have pulled the trigger. I am sorry the Minister of Justice (Mr. Turner) has not seen fit to remove corporal punishment from the statute books of this country.

This is a very important bill, Mr. Speaker. It goes beyond the Criminal Code because, as hon. members have undoubtedly noted, it will also amend the Parole Act, the Penitentiary Act and the Prisons and Reformatories Act. I would like to deal for a moment with the matter of probation and parole. I am glad that we are moving forward, but I am sorry that the understanding and the viewpoint of the Department of Justice are so far behind the philosophy of modern penology. We are already years behind what is taking place in other countries with respect to probation and parole on a rehabilitative basis. Even with the suggested amendments we are still going to be years behind. Unfortunately, it would appear that this matter has been tackled, by whoever it was who made the study, in a slipshod and haphazard manner. No recognition was given of a fact which I think all penologists recognize, as well as organizations interested in penology. We need one completely comprehensive act in respect of probation and parole rather than a scattered or almost piecemeal approach.

• (8:40 p.m.)

We are all happy that in recent years there have been more people let out of reformatories and penitentiaries on parole. I think it is significant that, according to the commissioner of the parole board here in Ottawa, in the last ten years, 23,943 prisoners have been released on parole. Conclusive proof that this system of parole under proper supervision is successful is the fact that of the 23,943 only 2,675 were returned to the penitentiaries. Of those, only 1,347 were returned because they had again taken up a life of crime. The others apparently had broken some of the conditions of parole. These conditions state that a paroled prisoner cannot go into a beer parlour, cannot move from town to town without permission, cannot change his job without permission, cannot buy a car without permission and other things of this nature. Some of these prisoners were returned for these reasons but of the 23,943 approximately 1,500 did return to a life of crime. This fact should

indicate that we should enlarge or increase our parole system. I hope that in the not too distant future we begin to catch up with the federal policy in the United States.

A number of us had the privilege of going to the United States for a number of days as members of the joint committee of the House of Commons and Senate on Penitentiaries. The United States instituted this policy some three years ago. I refer to the fact that they began to allow prisoners out of jails before the period of parole eligibility, after prisoners had demonstrated a social attitude which convinced the guards, officers and educationalist, that they had been rehabilitated. These people are let out in the morning to go to work and come back at night and on weekends. They continue this procedure until such time as they are eligible for parole. These prisoners are able to support their own families and they pay room and board at the penitentiaries. This all takes place before they are eligible for parole. We were told when we were in Washington that this practice was so successful in the first year they hoped to more than double the number of people allowed out under the system in the second year.

It is my hope that we will go ahead with such a program and that we will have the power to do so. I hope we can proceed with this type of progressive, modern penology policy under the proposed amendments in this bill. A lot more people should be let out under supervised probation. Perhaps many should be put on this basis before they even enter reformatories or penitentiaries. If a judge and an investigating officer decide that these people have made a mistake, there is no need to put them behind bars.

There are some things about this bill in respect of paroles that I find difficulty in understanding. There is one part which deals with the Prisons and Reformatories Act. The principle sounds pretty good, but let me read one of the new policies which this bill enunciates.

> Where, in the opinion of an official designated by the Lieutenant Governor of the province in which a prisoner is confined in a place other than a penitentiary, it is necessary or desirable that the prisoner should be absent, with or without escort, for medical or humanitarian reasons or to assist in the rehabilitation of the prisoner at any time during his period of imprisonment, the absence of the prisoner may be authorized from time to time by such official for an unlimited period for medical reasons and for a period not exceeding 15 days for humanitarian reasons or to assist in the rehabilitation of the prisoner.

The principle is excellent. If the person designated by the Lieutenant Governor feels that a boy or a girl in a reformatory has adjusted, has a new sense of social conscience and is ready for rehabilitation, in order to assist in that rehabilitation the law of Canada will state that this person should be allowed to be absent from the reformatory for a period of time not exceeding 15 days. I am sure that a person is not going to be released for 15 days unless the official is pretty certain that the individual is ready for release. If the official is correct, and this is the right thing to do, why should he be allowed out for only 15 days? Following that time he will be returned to the reformatory. What kind of nonsense is that? The proposed measure states that the individual may be absent from time to time. Perhaps at the end of the 15 day period, the prisoner will be released again. Surely, that is too short a time in which to decide whether rehabilitation has taken place. If it has not the prisoner will be brought back. If rehabilitation has occurred, why put the individual back behind bars? A little more thought should have been given to matters of this nature, and I sincerely hope that some change will be made before this bill becomes law.

Before concluding I should like to stress another point. I am very fond of animals, as I think most members are, so I welcome the changes that will provide greater protection for animals and make more severe the penalties for those who are guilty of cruelty to animals. Why does the measure stop at that point? Why do we not follow the example of other countries and have something on our statute books about licencing and inspection of premises as well as the methods used in the name of scientific research? Millions and millions of animals are victimized and brutalized in the course of scientific research. Perhaps it is necessary that these animals be used, and I do not deny that, but I cannot understand why it is not possible to carry out this scientific research without this brutalization of animals.

As long as the present practice continues it remains a disgrace to this country. This has been a disgrace not only in the past but is a disgrace at the present and will be in the foreseeable future if we do not adopt a law in respect of licencing and inspection to give the government control over the use of animals for medical and scientific research. We must put something on the statute books in order that the government can make sure the best possible treatment is given to these animals. It almost passes all comprehension that whilst we are improving the act and making the penalties more severe for cruelty to pets, we completely ignore the millions of animals who

are subjected to cruelty in the name of medical and scientific research. I say that millions of pets are subjected to this cruelty. We do not know what the figure is in Canada, but the figures given to the Congress of the United States indicated that over 250 million animals a year were used in medical and scientific research in that country. We should do something about this, and I hope we do.

• (8:50 p.m.)

When I speak of cruelty to animals I also ask why something is not being done about the cruelty inflicted on those who became a little wayward, broke the law, served their sentence, never got into trouble again, and yet for the rest of their lives are condemned because of their one mistake. Why in this omnibus bill is there not a provision to correct this situation? Members of all parties have over the years, particularly in the last session, spoken in favour of a provision to wipe out a criminal record, or at least keep it secret, if a person has behaved himself for a number of years. But there is not one word about that in the bill. Hundreds, if not thousands, are paying the penalty for our incompetence.

Let me give just one example. There is in the city of Vancouver a man in his early sixties who, when he was 17 years of age, made a mistake. The mistake was such that he did not go to jail, although he was found guilty. He has never been in trouble with the law since that day; he has kept out of trouble from the age of 17 to his sixties. He is a brilliant man. He has to my knowledge risen to executive position three times, and three times he has been fired. Why? Because the executive position required him to be bonded, and the bonding company said: He has a criminal record and we will not bond him. Now, he drives a taxi. This is just one example.

There is a grave responsibility on our shoulders when we become members of parliament. It is not to just follow our religion and conscience but to understand and have knowledge then, having understanding and knowledge, to do what is right on behalf of the people of Canada. We hope this bill will pass, but that it will pass in an expanded form.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on Bill C-150 there are a few observations I should like to make on certain aspects of it. The matter of abortion has created great interest. It has created great interest for as many years as the problem has been around, which is at least as long as recorded history. Arguments and opinions are firmly held by people both for and against this procedure. In the result, it seems to me that there are those who firmly hold that in conscience they cannot condone abortion under any circumstances because in their opinion life begins at the moment of conception, and therefore any interference with this natural process is wrong.

On the other hand, there are those who argue that the life and health of the mother is an important factor. If the life and health of the mother should be threatened, under certain circumstances the procedure of abortion should be carried out in an authorized, legal way. It seems to me that these two views, being firmly and sincerely held, are irreconcilable and that the conflict of ideas in this respect will not be solved by this bill any more than it has in the past.

In my opinion the provisions of this bill will not make abortion any easier in this country, although it may make it more available in certain parts of the country where heretofore hospitals in the area did not allow it. The laws on abortion have in the past been very obscure and so far as the medical profession is concerned have been the cause of some doubt. This bill will make the position of physicians more sharply delineated than previously.

At the present time abortions may be carried out in hospitals that allow them if the life and health of the pregnant woman are considered to be in danger. In practice this has meant that Catholic hospitals do not allow abortions, while non-Catholic hospitals have permitted them if they are carried out in accordance with their medical by-laws. The general pattern in the hospitals where therapeutic abortions are allowed is that an attending physician, in consultation with a duly qualified staff colleague, may decide whether a therapeutic abortion is to be performed.

In general, this practice seems to have worked fairly satisfactorily. The Minister of Justice (Mr. Turner) has stated that no physician has been prosecuted for carrying out a therapeutic abortion. I think this indicates that the medical profession has discharged its duties in a responsible way. I would like to point out that hospitals have been quite strict in the application of this law. Furthermore, hospital accreditation and the attempt by the Medical Hospital Association to improve quality care in hospitals has resulted in a general change of attitude toward the problem and a

tightening of regulations in respect of this procedure.

It seems to me that the bill does not in any way change existing conditions. If it does anything, it will further restrict the carrying out of a therapeutic abortion. It will in practice be much more difficult to have a panel of three doctors, apart from the attending physician, agree to a request by the attending physician to carry out a therapeutic abortion. In my opinion the reason is a very human one. The attending physician is responsible for the health of his patient for eight or nine months during her pregnancy; he becomes sympathetic toward her and her problems and is more amenable to her request for a therapeutic abortion if her condition in any way warrants it. Under the new act a panel of three doctors appointed by the hospital board will have to certify that the health of the patient of the attending physician would be endangered if the pregnancy were allowed to continue. Therefore the procedure will be considerably more cumbersome than in the past. Physicians are by nature most reluctant to agree to a therapeutic abortion, and in my opinion the indications for this procedure will lessen as time goes by.

• (9:00 p.m.)

There has been considerable concern that the provision with respect to a woman's mental health being affected might provide an avenue by which large numbers of abortions would be carried out, amounting almost to abortion by request. I certainly do not feel this will happen since there is in general little psychiatric indication for abortions even in the case of unmarried women. There has been some thought I believe in the minds of many people that the opening of what are considered more relaxed abortion laws will prevent so-called back street butchery. There is nothing in this bill that will materially change the number of abortions performed in other than recognized institutions. Most women who seek illegal abortion will not in any way be accommodated by this new bill, so that if there is any idea that the number of illegal abortions will be reduced, I believe it has no basis. It might be of some interest that the problem of abortion will likely recede in the future because with the wide dissemination of birth control knowledge and devices, the instances of unwanted pregnancies will likely diminish. In short, the bill does not really change what has been the accepted custom in the carrying out of this therapeutic procedure.

I would like to point out that the wording of the bill in this section leaves something to be desired and, unless amended, will create hardship and uneven application to many people living in remote areas. Section 237 states that this procedure can only be carried out in a hospital accredited by the Canadian Council on Hospital Accreditation. This is a quality control of a voluntary nature whereby hospitals endeavour to upgrade their standards. The hospital may not be accredited for many reasons, such as fire regulations, etc., having nothing to do with the ability to carry out this procedure. Also, many hospitals can never be accredited because they are too small or there is just not enough medical personnel to meet the requirements of the accrediting body. Yet, these same hospitals in outlying areas must care for patients, and unless the act is amended to include these hospitals hardship will exist. I believe that in these cases the minister of health, in conjunction with the College of Physicians and Surgeons of the provinces concerned, should specify where this procedure may be carried out.

The other point which I feel will cause considerable hardship is the requirement for a panel consisting of three qualified medical practitioners, together with an attending physician, which will mean that a minimum of four doctors will be involved. Many small communities do not have this number of physicians. It is expensive for patients to be moved to larger centres, and in some cases it might be quite dangerous to their lives or health. Unless the legislation is amended to allow for the variations of conditions where these anomalies may arise, hardship will develop. Here again I believe that the minister of health of the province concerned, in conjunction with the College of Physicians and Surgeons, would be the logical group to make provisions to meet these situations.

I am inclined to favour the section on homosexuality. I do not believe that homosexuality is deterred by criminal proceedings and I think that in practice homosexuality cannot be controlled in this manner. I do not believe that people with this bent are criminals in the accepted sense, and I think that homosexual acts in private between consenting adults can be accepted by our society as reasonable. In practice, society is already condoning much of what the section implies. However, I do feel that we must carefully and rigorously apply the law in the matter of homosexuality where attempts to seduce young people are involved and in any case where sexual deviation may endanger the general public. I do not think this section will

materially change what is now already generally accepted by society's concensus concerning the practical approach to this problem.

With regard to the sections devoted to the problems of guns, I would say that the new provisions are designed for large cities and are not as applicable to our rural areas. It will be difficult for organizations such as junior rifle clubs to carry on their activities because, for instance, section 87 states that no one shall give ammunition to those under 17. Presumably, therefore the use of ammunition by a junior rifle club would be prohibited. It would have been wise for the department to have worked out a more suitable statute in collaboration with the National Fish and Game Federation.

According to section 94, casual sportsmen who are involved in a day's shooting can be made liable for what seems to be a very minor offence. I would like to point out also that in the case of reporting lost weapons, a weapon may be stolen for some time before the loss is noticed by the owner. I think that this section may be impractical.

I would like to make a suggestion to the minister, which I think he might agree is constructive, that a ballisticgram be made of every new firearm at the manufacturer's level with a record of its serial number. This in turn would be correlated with the serial and permit numbers of the registrant and would make it considerably easier to correlate bullets and firearms from the central registry.

I will conclude my statement with these few remarks, Mr. Speaker.

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, it is not my intention to delay the bill, and my remarks will be brief. Nevertheless, it is my responsibility and my duty to the people I represent to put my views on the record as well as to take cognizance of the thoughts and ideas of the many people who have written me in respect of Bill C-150.

This bill contains much that is meritorious. In fact it contains one item in which I have a special interest. I introduced it to the House of Commons by way of a question to the Minister of Justice of that day. On January 27, 1966, I put the following question to the minister:

> Would the government give consideration to amending the Criminal Code so that breathalyzer tests can be made mandatory?

I pressed the government on three other occasions in 1966 to take the necessary action to bring in this legislation. The urgent need to curb drunken driving was brought home to me forcibly at that time when a whole family of five in my riding was wiped out in one accident involving a drunken driver proceeding on the wrong side of the highway. Since that time hundreds of other people have died unnecessarily at the hands of drunken drivers because this government continued to ignore the urgency of the matter, even though the Highway Safety Council provided them with figures which indicated the costly hazard of drunken drivers.

The highway casualty lists for the first half of 1968 are available and, as usual, are appalling. In six months there were 2,143 fatalities resulting from Canadian motor vehicle accidents, 83 more than for the same period of 1967. In addition to the dead, there was a multitude of injured. The number of Canadians who survived accidents but suffered harm to some degree totalled 75,713. If there were an epidemic that took 2,143 Canadian lives in six months, the country would be in a state of wild alarm. However, the 5,522 deaths due to motor vehicle accidents in 1967 were accepted with calm resignation, and a higher total for 1968 will neither cause panic nor surprise the survivors.

I know there is some resentment across the country against the breathalyzer method but apparently there is no other way of dealing with drunken drivers. I have here an editorial taken from the *Free Press Weekly* of January 4, 1969, entitled "Conclusive Proof" which reads:

> Britain's breathalyzer legislation is now one year old. The results: 40,000 fewer casualties and about $35 million less damage. A total of 1,152 fewer people were killed in Britain and 11,177 fewer people were seriously injured than in the previous year, despite increased vehicle registration, and despite higher alcohol sales.
>
> The proof is now conclusive. The breathalyzer legislation works without being a killjoy. It has merely taught Britons that one does not drink and drive. In percentage figures the breathalyzer is held responsible for a 10 per cent drop in road casualties. If the same criterion were applied to Canada we could have saved something like 400 road deaths and 10,000 injuries.
>
> British transport minister R. W. Marsh has said that unless there is a further drop in the casualty figures the present legislation will be made stiffer and enforced with even more vigour. This proves another point, so violently disputed by modern penologists: That deterrence is effective. In Britain, the worst time on the road was after the pubs had closed at 10 p.m. Now the casualty rate during this period has dropped by the startling figure of 33 per cent. Clearly people are deterrent from excessive drinking and then driving home by the prospect of meeting a policeman with his breathalyzer, and facing then, not only severe penalties but automatic suspension of the driver's licence.

Criminal Code

• (9:10 p.m.)

Now, I should like to deal with some of the other matters contained in the bill. I can only echo what has already been said by other members of our party, that the bill should have been presented in divided form rather than in its present omnibus form. The bill proposes a number of good amendments which, like the breathalyzer test, should have received consideration long before now. However, it also deals with controversial issues of moral and social significance which concern the consciences of most hon. members as well as those of people across the nation.

In Canada we have always taken great pride in our freedom, but people across this country are now showing deep concern about the future of this God-given right, when matters of vital importance are being decided by one man. Especially is this true when this House of Commons is deprived of a free vote on an issue that reaches to the very soul of this nation. We realize that the Prime Minister (Mr. Trudeau) rules the cabinet with a stern hand. In the matter of the bill before us he has become a virtual dictator. The outcome of this debate is, therefore, a forgone conclusion.

Nevertheless, Mr. Speaker, I wish to take this opportunity to voice my disapproval of grouping both good and bad legislation in one bill and forcing the whole issue down the throats of the people of this country. Every piece of legislation should stand or fall on its individual merits.

I do not propose at this time to go into the details of all the issues contained in the bill before us, but I would like to make a few observations about the advisability or otherwise of amending abortion and homosexuality laws. I have consulted the Oxford Universal Dictionary as to its definition of abortion, which is as follows: "the procuring of a premature delivery so as to destroy offspring." It seems to me no one would doubt that the definition to which I have referred applies to the case in hand. In other words, Mr. Speaker, this amendment seeks to broaden the law in order to destroy offspring. It appears to me that this is the thin edge of a wedge which would open the door to removing all provisions in respect of abortion from the Criminal Code.

To my mind, there is no doubt that life begins at conception. In the vocation in which I have spent 30 years of my life, I have performed hundreds of sperm checks. It is there one finds where life begins. As far as I am concerned, wanton abortion is murder. My conscience will not let me support murder. Therefore, Mr. Speaker, on this count I shall vote against the bill.

Some hon. Members: Hear, hear.

Mr. Noble: I cannot support an amendment which would condone homosexuality. My argument in this connection is that to condone it is to support it; to support it is to encourage it. For the life of me, I cannot understand how any family man can vote in favour of this amendment. In my opinion, we should be doing all we can to discourage anything which contributes to the breakdown of morality. The fact that it was the Prime Minister who devised and put forward these amendments concerning abortion and homosexuality does not, to my mind, constitute a strong argument in favour of their adoption. He is not a family man and he does not seem to understand that children do look to their parents for leadership and direction. Believe me, Mr. Speaker, most children will have mental and conscientious reservations with regard to parents who would support measures such as these.

The support of such retrograde proposals would lead to only one thing, the rapid deterioration of the moral fibre of this nation. Surely we, as members of parliament, must hold the line with respect to moral standards. We cannot justify the repudiation of our responsibilities to our young people, to older people, too, and to generations which will follow.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I really hoped to have the floor after the hon. member for Vancouver East (Mr. Winch) who resumed his seat a few moments ago, because some of his statements made the blood of the members of the Ralliement créditiste boil and I was eager to give him tit for tat.

In any event, his wild remarks were annoying, to say the least. It is surprising to note the illogical attitude of certain members who will favour the abolishment of the death penalty in order to protect bandits, as well as the protection of animals, as the hon. member has just done, while supporting abortion, and consequently the destruction of thousands of innocent children.

In his speech the hon. member told us that in the course of his political career he had visited many mental institutions, many hospitals,

where he had met people suffering from some kind of physical illness whom he described as "vegetables". I suggest, in turn, that there are also "vegetables" in our society and even in this house who are not physically but mentally ill. Indeed, it is not a question of blaming the physical defects, but when one hears expressed in this house principles that are devoid of all moral or religious sense, it is a sign I think, that the person concerned is not physically, but indeed mentally ill, and that he represents another variety of "vegetable" that grows in our society.

It is said that abortion would suppress not only certain physical illnesses—and I doubt even that—but also that it would have eliminated in the past, certain mentally sick people who, unfortunately, were propounding principles on which we are far from agreeing.

Mr. Speaker, in the few minutes which are alloted to me, I wish to point out how surprising it is to observe the debatable and contradictory attitude of the hon. member for Vancouver East. Before coming to the heart of the matter I would like to pass censure in this house, on the Liberal members of the province of Quebec.

We have not yet heard of them, nor of their principles, neither do we yet know their opinion on this bill. Indeed, because of the principles in which we believe in Quebec, it is very difficult for us to understand how some members who say that they too—are devoted to certain principles, can indeed remain silent and refuse to reveal their innermost thoughts on such an important bill.

I would like to tell the house, Mr. Speaker, the basic reasons which compel our group to sternly oppose a number of provisions in bill C-150 which drastically amend several sections of the Criminal Code, in particular those concerning abortion, homosexuality and lotteries.

Mr. Speaker, it is as members of the Ralliement créditiste, as Catholics, or as plain human beings and nothing more, that we intend to fight some of the amendments now proposed by the Minister of Justice (Mr. Turner) and first introduced by the former minister of justice who is now Prime Minister.

Our position as members of the Ralliement créditiste is as follows: In the world of today, in Canada as in any other country, the mass media tend to be concentrated into the hands of a few and the philosophy of materialism—we have had a sample of it in the statement made by the hon. member from Vancouver East—and the principles of collectivism are expressed in policies also controlled by an increasingly restricted number of people. We, from the Ralliement créditiste, do not wonder when we see our movement which offers measures based on a philosophy diametrically opposed to collectivism and materialism met by silence or misinterpreted in the eyes of the people by our enemies and by the mass media they control.

Is Mr. Molotov, the former spokesman for the Soviet Union at the United Nations responsible or not for the remarks he is supposed to have made about the social credit? I do not know, but anyhow, it does not matter. He is reported to have said that the communists knew everything about the implications of the social credit philosophy, the only one they fear in the world.

Whatever else it may be, the communists understand the basic importance of linking their policies to a philosophy and their leaders, by their malevolent charges against the social credit, have demonstrated they consider it as a serious threat to their own policy and ideology.

• (9:20 p.m.)

So do the crypto communists and their cousins, the socialists, who would place their activity under the control of the state. When the founder of Social Credit, Major C. H. Douglas, undertook a public debate with the socialist the hon. prime minister knows well, Fabian Sydney Webb, after Mr. Douglas had refuted all the objections of Mr. Webb concerning the practical application of the social credit doctrine, the latter finally admitted that he did not agree with the principles of social credit because they were contrary to his own views on the ends of man. He was aware that social credit proposals, aimed towards monetary and other reforms, were rooted in christian philosophy which he rejected.

Even today, Mr. Speaker, the enemies of social credit, when they are forced to speak of it, take great care in giving the impression that social credit is nothing more than a simple monetary reform.

In the years following the First World War, Douglas insisted on stressing the fact that any

political thought should be based on Christian philosophy. He said:

> We are fighting to save Christianity and those who are fighting are those who still believe in the Christian philosophy.

The Douglas philosophy, of which social credit is the political expression, is based on the conviction that there is in the world a law of rectitude, a law of divine origin which he calls the "Canon" and which St. John, the Evangelist, called "logos", that is the law.

Thanks to his intelligence and his will power, man does not have to rely solely on his instinct to discover this law and conform to it. He must seek it actively; when he discovers it and conforms to it, he achieves harmony between the universe and its Creator; when he ignores that law or trangresses it, he destroys himself. What does it teach us, this sound law which is connected with the law of nature. What does it tell us about one of the proposed amendments to Bill C-150, the amendment on abortion? It tells us that:

> The murder of an innocent person is always a murder and it is the more hateful that the victim is defenceless.

So speaks Father Paquin, a Jesuit, in his book *"Morale et Médecine"*, which is available at the parliamentary library. The honourable members opposite could read it with profit, instead of guffawing, for it is far easier to laugh than to understand. It is easy to laugh for you have only to do as the hon. member for Quebec-East (Mr. Duquet). Since he has been sitting in this house, he did not have the intestinal fortitude to rise and to express the opinion of his constituents.

Some hon. Members: Hear, hear.

Mr. Rondeau: Nobody has the right to take a life, be it that of a foetus. Neither the mother, nor the doctor, nor the government has a right to dispose of it at will. The mother's consent and the government's are of no importance whatever and they could not lighten the immorality of a directly murderous operation. And Father Paquin, speaking about the law of nature said:

> However, such is the nature of abortion, which can be compared to foeticide; to take the foetus out of the mother's body without which it cannot survive, is the same as to inflict a fatal wound on it, as to put its life immediately, directly and surely in danger.

[Mr. Rondeau.]

> "Direct abortion remains a high misdemeanour, even when ordered for an excellent purpose: the mother's life, for instance. But even a very good purpose cannot change a morally wrong action."

For these reasons, Mr. Speaker we Creditistes cannot accept the proposed amendments to sections 195 and 237 of the Criminal Code.

What is our position now? As Christians and Catholics, we find that morals and medicine are sometimes in conflict. Medicine as a science sees only the internal natural assets: life, integrity of limbs and health—while morality, governing the whole man and his preternatural purpose, must take into account the spiritual values. It does not allow the sacrifice those values for worldly values, such as health, fancies or passions.

Medically speaking, touchstone of an action is the medical or preventive purpose.

For those who still have morals it is the ultimate goal which is the touchstone of morality. Consequently, this criterion is absolute and has nothing to do with personal feelings or even utilitarianism.

The basic human rights recognized in the world all through history have inspired a few statements, such as The Universal Declaration of Human Rights passed by the United Nations in 1948, as stated in section 3, and I quote:

> "Everyone has the right to life, liberty and security of person."

The Canadian Bill of human rights of 1960 recognizes as stated in section 1, paragraph a), that "the right of the individual to life" exists in Canada and shall be maintained.

• (9:30 p.m.)

More precisely, the Convention safeguarding human rights and fundamental liberties, signed in Rome by the members of the Council of Europe in 1950, states the following in clause 2 (1):

> The right to life of every person is protected by law. Death cannot be inflicted intentionally, except when carrying out a death sentence delivered by a Court if the offence is punishable with that penalty and by the law.

I think I have said enough, Mr. Speaker, to prove that everywhere in the world the right to life is universally recognized. We assume that, from its conception, the child is a person and that the voluntary and deliberate destruction of a foetus in the womb of the mother, or of a child at the moment of birth, constitutes a homicide, if not a murder.

A lawyer, Mr. R. Dierkens, a professor at the law faculty of the University of Ghent,

Belgium, in a book entitled "The rights on the body and the corpse of man" which can also be found at the parliamentary library—writes that any man can claim a right to the preservation and inviolability of his being. As a lawyer, he rejects the pretension of those who assume that man enters the legal world when he is born, and I quote:

> Far from being a beginning, birth ends already an important, even decisive period of man's life which begins with conception. It is fecundation which creates a person in its entirety and individuality.

Quoting Jean Rostand of the French Academy, he writes:

> From the moment when, in the fecundated egg, chromosomes of that ovule have joined those of that spermatozoon, the hereditary personality of the child is determined once and for all ... and that egg includes virtually not any man but a particular man, a person.

One must conclude therefore that since human life marks the duration of personality, the latter begins, not at the time of birth, but from the moment of conception.

Until now, our Criminal Code recognized the existence of a human being in the womb of a woman, not as part of her body but as a being distinct from its mother. An attempt on that life is condemned as a criminal act even though it is committed by the mother or with her consent.

Furthermore, at one time, the execution of pregnant women condemned to death penalty was deferred until the birth of their child.

That means that from the standpoint of natural law and human positive law, abortion has generally been disapproved in Canada and in the world.

I should now like to deal the with the law of God and of the Church. What do they say in that connection?

As catholics—and we are proud of that—we cannot accept the amendments to the Criminal Code proposed by the Minister of Justice (Mr. Turner), with regard to abortion.

The fifth Commandment does not distinguish between adult and fœtus. The principle of the Decalogue is absolute:

> Thou shall not kill.

All through the centuries, the precepts of the Church and its penal legislation have always condemned abortion. The Council of Elvira in 300, the Council of Ancyra in 314, the Council of Lerida in 546, the Council of Constantinople in 692, and others afterwards have all provided very severe penalties against abortion; penalties as severe as excommunication of the perpetrators and the abettors.

However, it was during this century, during the onslaughts of materialism, which, nowadays, have even invaded this house, and on account of atheism, that the teachings of the Church dealt more clearly with the subject of abortion.

In his encyclical on Christian marriage *Casti Connubii* (chaste union)—copies of which can be found in the Parliament library—Pope Pius XII spoke in the following terms of attempts on a child's life, that is of abortion:

> Another crime extremely serious, by which an attempt is made against the life of the child still hidden in his mother's womb, has to be mentioned. As regards medical or "therapeutic" direction—

The matter dealt with in Bill No. C-150.

> —we have already expressed the great pity we feel for the mother who, by carrying out her natural duty, is exposed to serious dangers for her health, even for her very life; but which reason could never justify the "direct murder" of an innocent? For that is the matter in point here. Whether death is administered upon the mother or upon the child, it goes against God's and nature's precept: "Thou shalt not kill!" The life of either one is equally sacred; nobody, not even the public authorities, could ever possess a right to make an attempt against it."

That is the voice of our Church. And the pope goes on in the same vein on the inviolability of human nature. His successor, Pope Pius XII, talking to midwives and referring to the nature of their profession, reassumed the teachings of Pius XI on the inviolability of human life, and I quote:

> Every human being, even the child in his mother's womb, owes immediately to God, and not to his parents to society or to human authority his right to live. Therefore, no man, no medical, eugenic, social, economic or moral counsel can produce or confer a judicially valid right to dispose directly and deliberately of an innocent human life, that is to dispose of it with a view to its intended destruction considered either as an end or as a mean to achieve an end which perhaps in itself is not at all unlawful.
>
> Thus, saving a mother's life, for instance, is a noble achievement, but the direct elimination of the child as a means to attain such an end is not permitted. The life of an innocent is intangible, and any direct attempt or agression against it violates the fundamental laws without which a secured life in society is not possible.

I shall now talk about respect for life. In an allocution delivered November 26, 1951 before

the large families associations, Pius XII brought the matter up again and referred once more to the question of direct abortion or murder of the child before, during or after childbirth.

However justified, the distinction between the various moments of life already conceived or not yet conceived, in the light of secular or religious law, and some civil or penal effects, according to moral law, it is in all cases a serious and guilty attempt against sacred human life.

Reference is made to the mother's life in the amendments to the Criminal Code.

• (9:40 p.m.)

In the course of this address, Pope Pius XII goes back to the question: Is the child's life to be preferred to that of the mother?

At no time and under no circumstances has the Church taught that the life of the child must be preferred to that of the mother. It is erroneous to put the question in these terms: either the life of the child of the life of the mother. No! Neither the life of the mother nor that of the child can be directly destructed. In any case, there can be but one requirement: to do the utmost to save both the life of the mother and that of the child.

But it will be argued that the life of the mother, particularly the mother of several children, is comparably worth more than the life of an unborn child.

Answering this sad question is not difficult. Inviolability of the life of an innocent being does not depend on its greater or lesser value.

Besides, who is capable of judging with certainty which of the two lives is really the most valuable? Who could tell what the future has in store for this child and to what height could bring him his achievements and his perfection.

Then, Pope Pius XII goes on to discuss accidental death of a child occurring during therapeutic treatments to the mother:

At all times, we have purposely used the expression "direct attempt to the life of the child" and "direct murder". For instance, if it were a matter of saving the life of the expecting mother, without considering her pregnancy, in the case of an urgent surgical operation or therapeutic treatment, that would, accidentally result, in the unavoidable death of the embryo, in no way sought or wanted, this act could no longer be described as a direct attempt to the life of an innocent being.

In those conditions, the operation could be allowed as other similar medical interventions, bearing always in mind that it is a question of prime interest, as life would be, and that it is impossible to wait until after the child's birth or to use some other effective means.

I shall mention the letter of Canadian Bishops. More recently and more specifically in connection with the proposed amendments to the Criminal Code relating to abortion, the Canadian Catholic Conference which speaks for the Episcopate, laid down again its instructions to the Catholics of Canada in a statement issued on December 5, 1968. It is a statement reaffirming the position of the Canadian Catholic Conference on abortion, issed by the executive committee in the name of board of directors of the same Conference, and I quote:

While discussions are going on about the proposed amendment to the act on abortion, many people still wonder why the Catholic Episcopate of Canada has taken on abortion a stronger position than on the sale of contraceptives.

The difference in attitude stems from the fact that abortion involves the sacred right to life. Therefore, once again, we declare that it is not possible to consider abortion as a personal matter, as if in that case, another person's life was not at stake.

That point is already obvious in the statement made in February 1968 by the Canadian Catholic Conference. Moreover, we wish to stress here that the stand taken by the Bishops cannot be considered as a position dictated solely by reasons of a religious or theological nature. It rather results from our deep conviction that law and social customs must be greatly respectful of that most precious possession that human life is, and in this particular case they cannot be heard if we do not speak for them. This is why our appeal is addressed first to every intelligent man concerned with those prime values. However, we must remind Catholics that they—

...still...

—have to abide by the teaching of the Church, regardless of a legislation intended for a pluralistic society.

The Canadian legislation on abortion must respect the invaluable honor of any human life and must render each one of us more, not less, respectful of life. This is the way civilization should plan ahead.

Several people think that by changing the act we could bring about a decrease in the number of clandestine abortions and minimize their disastrous effects, but the experience of a few countries where a similar act has been adopted tends to prove that will rather be the other way around.

In its December 1967 report, the parliamentary committee on abortion acknowledged the fact that there had been insufficient studies and inquires conducted in this field. While the bill is being considered in the House of Commons, should we not make public the findings of the studies made since the parliamentary committee's statement was issued.

Owing to its complexity, we cannot expect to solve the problem of abortion through easy solutions.

The solution we are recommending is entirely different: to promote respect of human life at all stages of its development, through education and legislation which would be an education in itself;

to study carefully the frequency of illicit abortions and the means to eliminate it; to stimulate medical research; to make a real effort to help mothers in difficulty, by providing them with the resources of medecine and psychiatry; to develop an understanding attitude towards unmarried mothers and their children, as well as provide a positive answer to their needs; to increase help to mental cases; to develop a more generous and more adequate social and family policy.

As far as this bill is concerned we are now asking ourselves: Whom shall we obey? Shall we obey now Caesar or in this instance the government, or God?

There is therefore a basic contradiction between the proposed amendments to bill No. C-150 regarding abortion and the philosophy from which we seek inspiration. Those who have no problem, are those who have lost their philosophy.

As to the antinomy between what the State proposes and the teachings of our Church, let me remind you what Yves de Chartres was writing to Pope Pascal II:

When empire and churchmen live peacefully, the world is well governed. When discord sets in between them, not only do small things do not grow any more but great things themselves are doomed to destruction.

What should we do when the demands of the State go against the demands made by the Church upon Christians and when the two powers to which we are subjected are giving us opposite orders?

No man can serve two masters. So we have no choice. We will not break the laws of Jesus Christ and His Church, on the pretence of respecting secular rights. It is better to obey God than men. This answer of Peter and the other apostles to those magistrates who ordered them to do illicit deeds, we must make it ours insofar as the debate on the amendments pertaining to abortion is concerned.

Mr. Speaker, before winding up my remarks, I should like to say a word on the free vote. I earnestly ask government members, the Prime Minister and the Minister of Justice to withdraw the amendment concerning abortion.

It is the duty of the government and the legislators to protect the life of the innocent by enacting laws and providing adequate penalties; all the more must they take a stand, when life is directly involved or imperilled, as is certainly the case for the unborn in his mother's womb.

• (9:50 p.m.)

We ask hon. members of all parties not to fear to assume their responsibilities, to hold fast to their convictions, if they still have any, particularly when it comes to legislation affecting morals and contrary to their previous beliefs.

I think the Prime Minister is liberal enough, in the broad sense of the word, to allow at least a free vote on this matter.

As for us, of the Ralliement Créditiste, I say again that we will fight to the end to prevent the passage of the amendments proposed by the Minister of Justice. And at this stage, I would like to point out, as many hon. members already have, that we would have been in favour of dividing this bill. In this respect, I should like to quote an article published in the 28th of January 1969 issue of *Le Devoir* to the effect that the Minister of Justice has already stated there is no need to divide the bill, since at the committee stage, amendments could be moved to every clause.

This is certainly not a satisfactory answer, for if the government is actually determined to put its life at stake on this bill in its present form, it will not agree to any substantial amendment to the main sections of the bill. But the sections pertaining to abortion and homosexuality are among those main amendments.

The opposition has urged that the different areas covered in this omnibus bill be divided into at least four separate bills. It is a most legitimate request. Otherwise hon. members might as well be asked at the beginning of a session to vote in bulk the legislative program contained in the Speech from the Throne. Each party should leave its members free to vote according to their conscience. We should be informed of the opinion of each legislator, and not of the leaders of the diverse political parties.

Mr. Speaker, in concluding, we regret not to be able to accept this bill tonight, at the government house leader's request, as several of our members still have many things to say. In fact, we do not think it will be passed speedily, for it is important that the population be informed of the different views expressed by members in this house, by those who declared themselves for or against and that it be aware of those who are not courageous enough to give their opinion right now, for silence gives consent and considering the importance of a bill that will have effects in the future, people could think that we accept today homosexuality as such.

Before long, like some other countries, that proceeded the way we are doing tonight, we will have to legalize homosexuality, and soon afterwards, we will also have to pass a legislation in order to legalize marriage between homosexuals. (Laughs). We know of some countries that have legalized that. Having reached a certain degree of ridicule, why should we not put such a provision in the omnibus bill, to show to the Canadian people the real purposes the government has in mind by introducing this legislation? The least we can say, if we declare homosexual people to be sick persons, is that a few years ago, the federal legislators believed homosexual people were criminals. If at that time they provided in the Criminal Code penalties for homosexuals, why should they not today, since they are inclined to think homosexuals are sick people, delete from the Criminal Code, all that concerns homosexuals? Why not remove from the Criminal Code what we considered in the past as criminal and that we now regard simply as an illness? Does the Criminal Code, for instance, provide for penalties in the case of people with T.B.? Are penalties imposed on the mentally ill? Why then should we think of legalizing the status of homosexuality which is a form of sickness?

I claim that this bill was introduced—and this is unfortunate—by persons who perhaps wish to protect homosexuals. The mere thought of that is saddening, but we have to say it in the house. Apart from homosexuals, who could claim their freedom under Bill No. C-150?

If you want really to help those people, if you consider them to be sick, let us treat them as such, and removed from Bill No. C-150 all that deals with homosexuality.

If lawmakers associated in the past homosexuality and criminality and if they consider nowadays that homosexuality is a disease, let us introduce an amendment to the Criminal Code to remove everything that is related to homosexuality in Canada.

Mr. Speaker...

The Acting Speaker (Mr. Béchard): Order. I must regretfully interrupt the hon. member but his time has expired half a minute ago.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, since there are only a few minutes to go may I call it ten o'clock?

[Mr. Rondeau.]

The Acting Speaker (Mr. Béchard): Is it agreed?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, I just wish to confirm that tomorrow, according to the terms of the special order passed earlier today, we will be having a discussion on the federal-provincial conference.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

[*Translation*]

NATIONAL PARKS—QUEBEC—CREATION OF PARKS IN THE PROVINCE

Mr. André Fortin (Lotbinière): Mr. Speaker, I have already asked the Minister of Indian Affairs and Northern Development (Mr. Chrétien) many questions on national parks, on the organization and development of a federal park in Quebec.

Once again, tonight, I wish to raise that matter in order to get from the minister a more precise answer. However, I have no intention to blame him too openly, because the matter before us offers reason to complain.

Mr. Speaker, while Quebec politicians speculate on the political status Quebec should have in America, the taxpayer loses every day considerable amounts of money because his leaders ignore the practical aspect of things, refuse or fail to take advantage of some federal programs which are real financial windfalls.

Such a negligence exists in several fields. Tonight, I shall restrict my remarks to one of them: federal parks. May I say right away that at the end of the fiscal year 1967-68, the central government had paid $262 million for the establishment of federal parks. Quebec got nothing of that amount, Mr. Speaker.

Why? I would like the minister to tell me why tonight.

The idea of establishing federal parks, that is maintaining large areas in their natural state for the benefit and the enjoyment of the public, originated in North America, and Canada now ranks second in the world for the number of parks.

Mr. Speaker, there are many things that could be said about that, but I must restrict my remarks because of the little time I am allowed.

• (10:00 p.m.)

Those federal parks are administered in Ottawa by the Natural Resources Branch. Under the law, namely chapter 189 of the 1952 Revised Statutes of Canada, those parks are, and I quote:

—dedicated to the people of Canada for their benefit, education and enjoyment... and shall be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations.

Mr. Speaker, those tracts of land are intended to preserve picturesque sites in Canada or in Québec and to protect forests and various species of plants and animals. To allow the public to make use of that inheritance, the National Parks Branch has created camping grounds, roads, tracks, and so on.

Mr. Speaker, at the end of the fiscal year 1967-68, the federal government had spent for those national parks, as I said earlier, over $262 million. The province of Quebec did not get anything out of that sum, since it has no national park. I am almost sure that the majority of the Quebec members are not aware of that fact. Why does the province of Quebec not have a national park? This question has already been answered by the Minister of Indian Affairs and Northern Development, and I quote:

The addition to the national parks system of one or more outstanding examples of Quebec landscape would indeed be welcomed by my department. However, the establishment of new national parks is dependent upon the province concerned taking the initiative. Customarily the province invites the federal government to participate in a joint survey of potential park lands, followed by mutual agreement on a satisfactory area and subsequent action to transfer title to the lands, free of all encumbrances, from the provincial to the federal government. To date, no such invitation has been received from the Quebec provincial government.

Such a statement was made on September 25, 1967, that is, more than a year ago. What is the situation now? Since then, the federal government has spent more than $20 million and Quebec has received nothing. On September 18, 1968, the Minister of Tourism of Quebec met the Minister of Indian Affairs and Northern Development in Ottawa to discuss that problem. Since then, officials of both governments have been studying the question and doing nothing. What will come out of those negociations? A statement should be made in a near future in this connection.

Mr. Speaker, I urge the minister not to be afraid to compromise himself, to lead the way if need be and to ask Quebec to go ahead and finally assume its responsibilities.

According to geographic and demographic criteria, we feel that Quebec should get over $60 million as recovery payment. It should already have received this amount which it has failed to collect. Ottawa should then spend approximately $6 million a year in Quebec.

These millions of dollars spent in Quebec could certainly be used effectively to eliminate some of the unemployment in the province and would no doubt favour the existence of a better balanced federalism. Mr. Speaker, I hope that our governments will soon turn in that direction.

I sincerely believe, on that score, that the Quebec government deserves a major share of the blame since it proved careless and irresponsible in not replying to the invitations of the federal government. On the other hand, I have to criticize the federal government, and especially the minister of Indian Affairs and Northern Development, who is content with making offers, without holding real discussions and bringing forward definite measures which would allow the province of Quebec to cease having a special status—a special status in reverse—that of an underprivileged province.

Mr. Yves Forest (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I regret that the Minister of Indian Affairs and Northern Development is unable to be present to reply personally to the hon. member for Lotbinière, because in fact this is a very important question.

I think the Minister of Indian Affairs and Northern Development has already told the

hon. member that, several months ago, he met the minister responsible for provincial parks in Quebec who made some suggestions. A reply by the provincial authorities has not yet been received.

As was mentioned by the hon. member, I think it is up to the province to first ask for the establishment of federal parks within the limits of its jurisdiction. I do no think that the federal authorities should be blamed for neglecting to initiate projects in this field, because the federal authorities have always been prepared to receive suggestions made by all the provinces and particularly those of the province of Quebec.

As I am not an expert on this subject, I will draw to the attention of the minister the remarks made by the hon. member.

[*English*]

POST OFFICE DEPARTMENT—EFFECT OF INCREASED RATES ON TRADE PAPERS PUBLICATION

Mr. Barry Mather (Surrey): Mr. Speaker, the question I should like to raise tonight is consequent on a singular question I tried to raise a few days ago during the question period. It relates to what the government intends to do about the imbalance, the injustice, and the illogic of the increase in postal rates to non-profit publications in Canada.

When I raised the question earlier it was ruled out of order and I take this opportunity of bringing the subject to the attention of the house tonight. When I raised the original question the Ottawa *Citizen* recorded on the front page the fact that as a result of postal rate increases to non-profit publications many of them were folding. As the headline stated, as a result of the massive postal rate increases these non-profit publications are folding up, and many others are having a hard time continuing operations. The article indicates that in some cases the increase in respect of unions, co-operatives and church organizations range up to 2,600 per cent.

This is a very serious problem which we should again consider. For many years members of this party and members of other parties in the house have urged that second class or business mail in Canada, that is publications by private or commercial firms, must pay its way. These publications should pay their share of the cost of mailing services in Canada. They should pay their fair share of the load in respect of the mail service of Canada, as the users of first-class mail have done for many years. We still hold this point of view.

When the proposals of the Postmaster General (Mr. Kierans) were before the house last fall we urged, and we urge tonight, that while rates paid by non-profit publications may be increased, these publications should not have to bear an undue, illogical burden. They should not have to pay more than their ordinary share of the increased costs of postage. I am told that union and co-operative papers, maybe the church papers, are prepared to pay an increase of up to 400 per cent or 500 per cent, but to ask that in some cases they pay an increase of 2,600 per cent or 2,700 per cent is surely unfair.

While we may admire the Postmaster General for bringing about a generally healthier situation with regard to postal rates in Canada by making the business publications pay more than they have in the past, we are right in questioning the extra load the non-profit publications will have to bear. Another question I would ask is this: In view of the protests which many members of all parties I am sure are receiving, will the government take a second look at the situation which results in the non-profit, church, union, co-operative and other association papers paying very much more than in the past, 2,000 per cent or more in some cases? Some of them may have to cease publication. Will the Government consider setting up a non-partisan committee to review their plight which results from the very severe postal rate increases?

If I had another minute or two, Mr. Speaker, I would ask one other question. If the government fails to do that, will it not consider a cabinet shuffle whereby the Minister of National Defence (Mr. Cadieux) would become the postmaster general? I understand the Minister of National Defence is in favour of keeping as they are non-profit organizations such as NATO? The Postmaster General would, I think, make an excellent defence minister because he is in favour of our withdrawing from the costly organization of NATO. I think that if this were done the non-profit publications of Canada would be in a much better position than they are at present.

• (10:10 p.m.)

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): On behalf of the Postmaster General, I should like to reply to the question asked by the hon. member for Surrey (Mr. Mather). The answer will be somewhat similar to one which was given last Monday night, I believe, to a question asked by the hon. member for Hillsborough (Mr. Macquarrie).

The basic reason for the increases in second class mail rates is well known to hon. members. There has been no substantial increase in second class rates since 1938; unless the rates were increased, the Post Office, and therefore the Canadian taxpayer was faced with a deficit of $130 million which amounted to a subsidy by the general public to above-average users of the Post Office. The principle behind the rate increases is that of user-cost; the user pays for the service he receives. An exception has been made in the case of the publishing industry, and the total post office deficit on the handling of newspapers, magazines and periodicals will be in the order of $30 million for 1969-70.

The increases themselves are undoubtedly substantial, and had to be if any progress was to be made in reducing the deficit to bearable proportions. The amount of the increase in much less striking, however, when it is considered in dollar terms rather than in percentage terms which are misleading because of the low starting base. The average monthly magazine will be able to offset its increased mailing charge by an increase in its subscription rate of about 50 cents a year. This, surely, can be managed by an organization which is providing a valuable and well-regarded service to its readers.

As to requests for specific exception from the rate increases for particular, and worthy publications, the reason why it is not possible to meet them is obvious. Any single exception would re-open the entire field. Rather than accepting a special concession from the government, such publications will have to turn to their readers and to their supporters, in whose best interests it would be to make the necessary adjustments. In other words, those who benefit from a particular publication will have to take the responsibility for supporting it.

29180—349½

Proceedings on Adjournment Motion

HOUSING—POSSIBILITY OF REFERRING TASK FORCE REPORT TO COMMITTEE

Mr. John Gilbert (Broadview): A few days ago I asked the Minister of Transport (Mr. Hellyer) in charge of housing to refer the task force report on housing to the appropriate standing committee of the house so that the committee might examine the outrageous recommendation with respect to public housing and urban renewal.

I had three reasons for doing this. First, no standing committee of the house has ever examined the problem of housing or had an opportunity to offer any practical solutions for it. In fact, since I came here in 1965 no committee of the house has ever been called to deal with this subject, even though the opposition has made numerous requests for one to sit. Second, the composition of the task force makes one wonder as to its adequacy. When one thinks of the academics, the successful builders and the mortage men who composed this task force, one asks the question: why was no trade union representative, or representative from the Consumers Council, or representative interested in public housing, invited to join that force?

In the third place, the report of the task force on housing failed on three counts. It did not cope with the serious shortages of housing stock, more especially with the housing needs of the two-thirds of Canadian families whose incomes are less than $7,500 a year. It placed too much reliance on the private sector to supply the housing requirements, and de-emphasized the nature and the role of public housing and urban renewal. It did not indicate adequate solutions to major problems involved in buying a house, such as mortgage financing, high interest rates and the high cost of land.

Tonight, I wish to deal briefly with my criticism that the task force placed too much reliance on the private sector to supply housing requirements, and de-emphasized the nature and the role of public housing and urban renewal. When I read the recommendation in the report that the federal government initiate a thorough research program into the economic, social and psychological issues of public housing, and that until such a study had been completed and assessed no new large project should be undertaken, I was shocked. Seemingly, this conclusion was the result of the task force's examination of Toronto's Regent Park development, north

and south. The report produced costs required to create those projects which were grossly inaccurate, and slandered the residents in public housing to the point of despair. To add insult to injury, it referred to public housing projects as ghettos of the poor.

It is too bad that the report failed to make a comparison between modern public housing, despite its weaknesses, and some of the appalling slums which existed before urban renewal and redevelopment. It is too bad the report failed to mention the refusal of the federal government to provide recreational facilities in public housing projects, or expose the government for its lack of interest in such matters. It is too bad the task force failed to make a study of the success of the Ontario Housing Corporation in public housing and request its president to give them the benefit of his experience in that field.

Is it any wonder City of Toronto officials thought the recommendation with regard to public housing disastrous, and that the Toronto Social Planning Council should have referred to it as kindergarten arithmetic? At a time when almost every nation has concluded that it is only through vast public housing programs that the housing needs of low income groups can be met, it is most disheartening that the task force should have attempted to discredit and disparage public housing.

This is why I asked the Minister of Transport to refer the report to a standing committee for detailed study in this regard. I regret the minister is not here tonight, but I notice that the hon. member for Toronto-Parkdale (Mr. Haidasz) is present. He knows the tremendous progress which has been made in Toronto with regard to public housing. He knows there is a long list of people waiting to get in, and I am sure his answer will show agreement with the remarks I have made.

Mr. Stanley Haidasz (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): The information available to me on this side is that the Minister of Transport (Mr. Hellyer) expects legislation concerning housing to be introduced in the House of Commons within a few weeks and referred to the appropriate standing committee for study. At that time, the committee might also wish to examine the broad range of realistic recommendations contained in the report of the task force on housing, recommendations which are designed to provide good homes at a reasonable price for all Canadians.

Motion agreed to, and the house adjourned at 10.20 p.m.

HOUSE OF COMMONS

Friday, February 14, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

DOMINION CONTROVERTED ELECTIONS ACT

COMOX-ALBERNI, B.C.—ELECTION DECLARED VOID—NEW WRIT OF ELECTION ISSUED

Mr. Speaker: I have the honour to inform the house that I have received from the Honourable Mr. Justice J. G. Ruttan and the Honourable Mr. Justice F. C. Munroe, both of the Supreme Court of British Columbia, the two judges appointed for the trial of a petition pursuant to the Dominion Controverted Elections Act, a certificate of judgment declaring that the election in the electoral district of Comox-Alberni, British Columbia, was void.

I also have the honour to inform the house that pursuant to section 69 of the Dominion Controverted Elections Act, chapter 87, Revised Statutes of Canada, 1952, I have issued my warrant to the Chief Electoral Officer to make out a new writ of election for the said electoral district.

[*Translation*]

COMMITTEES OF THE HOUSE

Eighth report in French and in English of standing committee on finance, trade and economic affairs—Mr. Gaston Clermont (Gatineau).

[*Later:*]

[*English*]

SPECIAL COMMITTEE ON STATUTORY INSTRUMENTS

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I failed to catch your eye when you called for the presentation of reports by standing and special committees. I would like to ask for unanimous consent to revert to that stage so I might have the honour to present the second report of the Special Committee on Statutory Instruments.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: The house considers that the hon. member has tabled the report to which he referred.

[*Editor's note: for Reports above referred to, see Votes and Proceedings.*]

[*Translation*]

DOMINION-PROVINCIAL CONFERENCE

TABLING OF UNANIMOUS AGREEMENT

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would like to table a copy, in French and in English, of the Consensus drafted at the constitutional conference held at the beginning of this week.

[*English*]

PRIVILEGES AND ELECTIONS

AGREEMENT TO PROCEED WITH MOTION FOR CONCURRENCE IN THIRD REPORT

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, there have been a number of discussions among the various groups with respect to the third report of the Committee on Privileges and Elections, which was presented to the house by the Chairman yesterday, and the motion for concurrence therein which appears on yesterday's notice paper. It has been suggested that it might meet the general convenience of the house if the matter were discussed today rather than on Monday or thereafter, which under the Standing Orders would be the first time it could be dealt with.

Therefore, I would like to make a proposal to the house which might enable us to deal with this report today without unduly inconveniencing the debate which will be taking place on the federal-provincial conference. I think there might be found to be agreement to having the motion of the hon. member for concurrence in the third report called between the hours of one and two today, that the debate on it take place during that period of time, and that if the debate be not concluded before two o'clock, it be adjourned to a future sitting of the house. I wonder whether there is general consent to that course of action being followed and, if so, I would ask that it be made an order of the house.

Inquiries of the Ministry

• (11:10 a.m.)

Hon. J. A. MacLean (Malpeque): Mr. Speaker, we in this party would be agreeable to this procedure, if it is arranged.

Mr. Speaker: There is a slight difficulty in that the report has not been received in its entirety at this moment. Although the last issue of the English version of the report will be in by noon today, the French version of that report will not be available. I know some hon. members have objected to the fact that there had been a motion for concurrence in a report, although the committee evidence had not been received in full. But if hon. members are satisfied, we might proceed as suggested by the President of the Privy Council (Mr. Macdonald). Is this agreed?

Some hon. Members: Agreed.

DEPARTMENT OF TRANSPORT ACT

PROTECTION OF COASTLINE AGAINST OIL LEAKAGE

Mr. Tom H. Goode (Burnaby-Richmond) moved for leave to introduce Bill No. C-170, to amend the Department of Transport Act.

Some hon. Members: Explain.

Mr. Goode: The purpose of this bill is to bring offshore oil drilling under the control of the Department of Transport in order that the department may protect the beaches and wildlife of our coastline against massive oil leakage such as the one recently experienced on the California coast.

Motion agreed to, bill read the first time and ordered to be printed.

HAZARDOUS SUBSTANCES

PROHIBITION OF ADVERTISING, SALE AND IMPORTATION

Hon. Otto E. Lang (for the Minister of Consumer and Corporate Affairs) moved that Bill S-26 (from the Senate), to prohibit the advertising, sale and importation of hazardous products, be now read the first time.

Motion agreed to and bill read the first time.

CO-OPERATIVE CREDIT ASSOCIATIONS ACT

PERMISSION TO SOCIETY TO BECOME FEDERALLY INCORPORATED

Hon. E. J. Benson (Minister of Finance) moved that Bill S-28 (from the Senate), to amend the Co-operative Credit Associations Act, be now read the first time.

Motion agreed to and bill read the first time.

ORAL QUESTION PERIOD

LABOUR CONDITIONS

MEASURES TO PROVIDE EMPLOYMENT OPPORTUNITIES—RECRUITING OF STUDENTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance concerning the decline in employment opportunities, especially in certain parts of the country and in particular, perhaps, in connection with the reduction of recruiting activity on campuses and the decreasing prospect of students securing either temporary or permanent employment. I wonder whether we can expect the minister or one of his colleagues to make a statement at any early date outlining the measures which the government proposes to take with regard to these very serious problems.

Hon. E. J. Benson (Minister of Finance): I agree these are very serious problems and I should like to take the suggestion of the hon. gentleman under consideration.

Mr. H. Russell MacEwan (Central Nova): May I ask the minister—and this applies to all his cabinet colleagues—whether, when studying this matter, they would consider introducing a crash program to alleviate the heavy unemployment in the Atlantic provinces now running, I believe, at 10.1 per cent?

Mr. Benson: We always take very seriously suggestions by the hon. member.

Mr. Lloyd R. Crouse (South Shore): In this regard, would the minister consider, too, reintroducing the federal shipbuilding subsidy which would be a great help in making employment opportunities available in the Atlantic shipyards used especially for the restoration of our fishing fleet on the east coast?

Mr. Benson: This is a matter which would have to be brought forward by the Minister of Industry, and I shall take it up with him.

Mr. Warren Allmand (Notre-Dame-de-Grâce): May I ask whether the government is still considering providing some assistance to

Expo, which usually hires some 2,000 students in the Montreal area?

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to ask a supplementary question of the right hon. Prime Minister.

I should like to ask him what kind of assistance the government is considering to give to the city of Montreal to help them offset the high rate of unemployment which is plaguing Montreal, as well as the other Quebec regions.

Right Hon. P. E. Trudeau (Prime Minister): I do not have anything to add to the Minister of Finance's statement, Mr. Speaker.

Mr. Valade: Would the right hon. Prime Minister accept to grant direct subsidies to Man and his World, in order to fight unemployment?

Mr. Trudeau: I should like to know if the government of Quebec and the member of the opposition agree that it would be a good use of the spending power and if so, under what conditions we should use it?

Mr. Valade: May I ask the right hon. Prime Minister a further supplementary question?

Since he refuses to give assistance to alleviate unemployment, would the Prime Minister—

Mr. Trudeau: That is not what I said, Mr. Speaker.

Mr. Valade: Would he say what kind of assistance is intended for Quebec?

[*English*]

HOUSING

IMPLEMENTATION OF TASK FORCE RECOMMENDATIONS

Mr. David Lewis (York South): I should like to direct a question to the Minister of Transport in his capacity as minister in charge of housing and ask him whether he can now inform the house more accurately when we may expect the bill emanating from the report he tabled a couple of weeks ago.

Hon. Paul Hellyer (Minister of Transport): I cannot say precisely when the bill will be ready, but so far everything is right on schedule and I anticipate no undue delay.

Mr. Lewis: It is difficult for hon. members to know whether the Minister is right on schedule or not. Will the Minister tell us exactly what the schedule is?

Mr. Hellyer: As has already been indicated, I am in process of preparing recommendations to the cabinet on this subject, which I hope will be dealt with shortly. As soon as the cabinet has had an opportunity to consider them, a bill will be prepared as expeditiously as a bill can be prepared.

Mr. Lincoln M. Alexander (Hamilton West): Inasmuch as it has been suggested that this house deals only with wheat, fish and corn, and in order to create some doubts about that proposition, may I ask when the minister will be prepared to make a statement as to the intentions of the government with regard to urban renewal schemes which have already been started? I ask this question, Mr. Speaker, because many municipalities are living in day-to-day fear about what may happen in the light of the ambiguity of recent reported statements.

Mr. Speaker: Order, please.

Mr. Hellyer: This is a very good question, Mr. Speaker. The government will be considering its policy with respect to urban renewal at the same time as it is considering amendments to the act. An announcement will be made as soon as we have had the opportunity of reviewing our policy.

Mr. Alexander: A supplementary question, or perhaps it is a related one: In view of the fact that we have held our first national urban transportation conference, and since I know that the government will soon be making a statement on urban renewal, I am wondering whether at the same time it will consider making a statement as to the role it intends to play, or perhaps should play, in the matter of urban transportation.

Mr. Hellyer: Mr. Speaker, I think this statement has already been made, so far as the present is concerned.

PRIORITY FOR LOW INCOME GROUPS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the fact that the cost of living was up again last month, and that this increase falls most heavily upon the low income groups, can the minister assure the house that in this new legislation priority will be given to housing for the low income groups?

Inquiries of the Ministry

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this always has the greatest priority when we make amendments to acts and adopt policies to meet the needs of all Canadians, and in particular those with low incomes.

[*Translation*]

VIOLENT DISTURBANCES

REQUEST FOR INVESTIGATIONS BY R.C.M.P. OF MONTREAL BOMBING

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Prime Minister.

A few years ago the federal government and the R.C.M.P. launched an investigation which led to the discovery of the FLQ movement and of certain separatists responsible for bomb explosions. Now is the federal government ready to act with the same firmness and stubborness in order to find out if some Maoists, as we have heard, are responsible for this wave of terrorism which we have been experiencing in Quebec during the few last months?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I wish to say to the hon. member that the government shares his concern and that I have discussed this problem with the Solicitor General who is doing his duty in that connection.

We have naturally taken for granted that the police both of the City of Montreal and the Province of Quebec are the first responsible in the field and have been doing an excellent job. We are offering them all the co-operation they wish for.

[*English*]

Mr. Steven E. Paproski (Edmonton Centre): May I ask the Solicitor General, by way of a supplementary question, whether the R.C.M.P. has been called to assist in the investigation of the 53 bombings in Montreal. Have they yet reported to the Solicitor General?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, there is an arrangement between the police forces as a result of which the Montreal police or the Quebec Provincial Police, as the case may be, co-operate quite closely with the R.C.M.P. in getting any assistance and help they need. That help has been available, is available, and is being used from time to time as the occasion requires.

Mr. Paproski: Mr. Speaker, will the government not accept some responsibility for investigating organized anarchy, or must we wait until someone is killed?

Mr. Speaker: Order, please.

[*Translation*]

REQUEST FOR INVESTIGATION BY STANDING COMMITTEE

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to direct a question to the government house leader.

I would like to ask him whether, in view of the serious disorders which are spreading throughout Canada, particularly among students, he would be ready to call a meeting in camera of the standing committee on justice and legal affairs, in order to study this problem, together with the question of the presence of foreign agitators in Canada, and to make recommendations to the government as to what it should do to ensure order and security.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, within a few weeks this question and some related ones will be put before the standing committee on justice and legal affairs which therefore will be able to consider this at leisure.

[*English*]

EXTERNAL AFFAIRS

MAINLAND CHINA—POLITICAL ACTIVITY OF DIPLOMATIC MISSION PERSONNEL

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a supplementary question. In view of the fact that a sizeable number of students who were involved in the sabotage and destruction at Sir George Williams University were at the time of their arrest carrying and quoting from copies of Mao Tse Tung's little red book, and in view of the recently announced statements of Lin Pao that the correct policy of communists must be to encourage upheaval in all countries, I would ask the Prime Minister if he would inform the house as to whether, in the pending negotiations with Red China on diplomatic recognition, the government is insisting that the numbers of personnel—

Mr. Speaker: Order, please. The hon. member can ask a question but he should not make a speech. What he is doing now is making a statement rather than asking a question.

Mr. Thompson (Red Deer): Mr. Speaker, I am asking a direct question, and my question is simply this, whether or not in the pending negotiations with Red China the government

is insisting that the numbers of personnel in any diplomatic mission in Ottawa be kept in reciprocal parity with that of the Canadian embassy in Peking, and that all such personnel from China refrain from any involvement in political activity or internal agitation with students otherwise.

Mr. Speaker: Order, please.

[*Later:*]

Mr. Thompson (Red Deer): On a point of order, Mr. Speaker, I submit my question was timely and pertinent. In the interest of national security and stability will you not give the Prime Minister the opportunity to answer, Mr. Speaker?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that part of the question which is timely I will gladly answer. When we embark upon such negotiations concerning the establishment of diplomatic relations with any country we discuss the question of personnel and reciprocal arrangements. And these matters are part of the discussions going on now, or rather which have begun.

[*Later:*]

Mr. Thompson (Red Deer): My second supplementary question, Mr. Speaker, relates to the statement just made by the Prime Minister that negotiations are now taking place with Red China. Can the Prime Minister inform the house whether Canadian-Chinese discussions have in fact begun? Has the Chinese government replied to the invitation from Canada?

Mr. Trudeau: If the hon. member reads *Hansard*, Mr. Speaker, he will see that I said, "were going on now" and corrected this to "which had begun". As the Secretary of State for External Affairs indicated earlier this week, discussions have started and on-going steps will be reported in due course.

[*Translation*]

LABOUR CONDITIONS

INQUIRY AS TO SUMMER EMPLOYMENT FOR STUDENTS

Mr. Gérald Laniel (Beauharnois): I wish to direct a question to the Prime Minister, Mr. Speaker.

The Bell Telephone Company of Canada intends to create 1,000 summer jobs for Canadian students: Is it the intention of the federal government to set up a similar program and even perhaps consider a suggestion I made in this house with regard to the establishment of a compulsory or voluntary training service for young Canadians?

Mr. Speaker: Order.

[*English*]

Mr. Diefenbaker: Mr. Speaker, I rise on a point or order. I have been trying to catch your eye, in the hope you would permit me to ask a question. I am not raising any objection but simply pointing a fact out.

Mr. Speaker: Order, please. The right hon. gentleman has caught my eye.

IMMIGRATION

ACTION TO EXCLUDE REVOLUTIONARIES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I first brought up this matter on November 13. In the absence today of the Minister of Forestry and Rural Development, the Secretary of State and the Minister of Manpower and Immigration, I direct my question to the Prime Minister. It has to do with the necessity of the Canadian government taking action to keep out of Canada well recognized revolutionaries who are coming here and disturbing the peace in various universities and colleges. I ask, does the government intend to follow the course that was followed in the United Kingdom and also in France of keeping out individuals of communist inclination who advocate the overthrow of government by force. Secondly, in the case of students coming from foreign countries who, by their lawlessness here, undermine the rule of law, does the government intend to deport them to their own countries so that they will be able to do their work at home rather than in Canada. Their work here is to the detriment of our people.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the right hon. gentleman has been waiting since November for an answer to his question perhaps he ought not to have asked it on a morning when the ministers he mentioned are not in the house to answer his question.

Mr. Diefenbaker: No, no. Because of recent events I wanted an opportunity to ask my question this morning.

Mr. Trudeau: The second part of the question was dealt with by the Minister of Manpower and Immigration one or two days ago. As to the first part of the question, the right

hon. gentleman knows the policy of the Canadian government; it is the same as that followed by the government of which he was the head.

Mr. Diefenbaker: No.

Mr. Trudeau: We try to prevent people who have an intention of committing criminal acts of one kind or another from entering our country. However, we have not reached the stage where we are able to read the minds of people who enter the country. We cannot exclude all people because some of them might want to speak in terms of revolution.

Mr. Diefenbaker: I ask the Prime Minister whether he is not aware that Rubin and Stokely Carmichael boasted of the way they were able to enter Canada. I would also ask him if these student revolutionaries here on sufferance whether inspired by Mao's red book or any other book, are going to be allowed to carry on their illegal if not criminal activities with impunity? Should they not be deported?

Some hon. Members: Hear, hear.

Mr. Trudeau: Mr. Speaker, the government does not permit anyone to carry on illegal activities in Canada. In so far as our jurisdiction is concerned we are not, under the constitution, asked to administer justice for this land. It is the responsibility of the province to prosecute people who have entered here and have committed criminal acts.

Mr. Diefenbaker: For some reason the Prime Minister does not answer the question. What about officers of the Department of Manpower and Immigration, and the deportations that do take place?

Mr. Speaker: Order, please.

Mr. Andrew Brewin (Greenwood): Could the Prime Minister, in connection with this matter of immigration, give assurance to the house that only those who have been convicted of offences by our courts will be deported in accordance with the Immigration Act?

Mr. J. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. Would the Prime Minister assure the house that the British tradition will be followed, which I expect the Conservatives will accept, allowing a wide range of freedom for immigration? England in the past—

An hon. Member: Let us speak for ourselves.

Mr. Speaker: Order, please.

[Mr. Trudeau.]

[*Translation*]

FINANCE

REQUEST FOR A CONSIDERATION OF CARTER REPORT

Mr. Henri Latulippe (Compton): Mr. Speaker, I would like to direct a question to the Prime Minister.

Owing to the fact that taxes have been very much discussed at the federal-provincial conference, could he tell the house whether the Carter report and its recommendations have been taken into account?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that has been taken into account in the following way: the federal government, through the Minister of Finance and myself, has declared several times that the bill or the white paper dealing with that subject will be discussed with the provinces before being adopted by the government.

[*English*]

HATE LITERATURE

DISSEMINATION OF PRE-RECORDED MESSAGES BY TELEPHONE

Mr. Paul Yewchuk (Athabasca): My question, Mr. Speaker, is for the Solicitor General or possibly the Minister of Justice. A day ago I dialed a Toronto telephone number, 532,-4232, and listened to anti-Semitic and other forms of hate propaganda. I realize there is a Senate public bill now being considered regarding the distribution of hate propaganda. Would the minister make a statement as to whether any measures are being taken to prevent this, until the bill has been passed?

Hon. John N. Turner (Minister of Justice): If the hon. member would like to give me further details I will communicate them to the Attorney General of Ontario. It is within his purview to examine the facts and enforce the criminal law as it stands. The hon. member might also like to give evidence before the other place, where this matter is currently under study.

PUBLIC SERVICE

INCREASE IN SALARIES OF OFFICIALS

Mr. Lee Grills (Hastings): I would like to direct my question to the Minister of Finance. In view of the fact the government has increased the salary of the Governor of the Bank of Canada by 50 per cent from $50,000 to $75,000, has the government increased the salaries of any other government officials by a similar percentage?

Mr. Speaker: Order, please. The question should be placed on the Order Paper.

PENSIONS

REMOVAL OF ANOMALIES IN LEGISLATION

Hon. J. A. MacLean (Malpeque): I should like to direct a question, Mr. Speaker, to the Solicitor General. Is it the intention of the government to introduce legislation during this session of parliament to remove certain anomalies which exist in the pension provisions of the Royal Canadian Mounted Police Act?

Hon. G. J. McIlraith (Solicitor General): Yes, Mr. Speaker. We hope to bring forward during this session legislation to correct some anomalies and administrative weaknesses in the R.C.M.P. legislation, armed forces pension legislation and the Public Service Superannuation Act.

Mr. MacLean: A supplementary, Mr. Speaker. I ask the Solicitor General if there are any other pension provisions which the government might improve during this session? I am thinking of the Members of Parliament Retiring Allowances Act which has serious anomalies in it.

Mr. McIlraith: I do not believe there is any provision in the legislation now being prepared relating to the Members of Parliament Retiring Allowances Act. I know that subject is of real concern and the act has many anomalies in it. Perhaps I could take the hon. member's question as a suggestion.

EXTERNAL AFFAIRS

PROTESTS RESPECTING DIPLOMATIC RELATIONS WITH VATICAN

Mr. P. V. Noble (Grey-Simcoe): I would like to direct a question to the Prime Minister, Mr. Speaker. Would the Prime Minister tell the house to what extent he is receiving protests in respect of Canada having diplomatic relations with the Holy See, and what is the Prime Minister's attitude toward this resentment?

Mr. Speaker: I am not sure the question as asked is in order. The hon. member is asking the Prime Minister to give a policy statement. However, if hon. members feel the Prime Minister should answer the question, I have no objection.

Mr. Noble: Mr. Speaker, I am only asking for information.

Right Hon. P. E. Trudeau (Prime Minister): I do not think I can give any useful information. There have been some protests and there has been a great deal of support.

PENITENTIARIES

SUGGESTION THAT JUDGES VISIT PENAL INSTITUTIONS

Mr. Frank Howard (Skeena): My question is directed to the Minister of Justice. If previous questions have any effect, our penitentiaries may be overflowing with inmates. My question relates to the press release emanating from the minister's office in connection with judges returning to school. Would the minister consider having these judges visit our penitentiaries to expand their knowledge to know just what they are sentencing people to?

Mr. Speaker: Order, please. The hon. member is making a suggestion to the minister which I do not think can be accepted as a question.

GRAIN

WHEAT—STEPS TO COMPLETE AGREEMENT WITH RUSSIA

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question, Mr. Speaker, for the Minister of Industry, Trade and Commerce but in his absence I will direct it to the acting minister. In view of the fact the Canadian farmers are patiently waiting for the U.S.S.R. to accept the overdue balance of 150 million bushels of wheat on the last three year contract with that country, can the minister advise what steps, if any, he or his department have taken to encourage the U.S.S.R. to finalize the balance of this important agreement?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, active steps are being taken. As the hon. member knows, negotiations are taking place. In the past it has not been considered useful to discuss publicly the steps that negotiations were taking, but I can assure the hon. member that active negotiations are being pursued.

IMMIGRATION

ASSISTANCE OF R.C.M.P. IN CHECKING APPLICANTS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, in view of the absence today of the Minister of Manpower and Immigration I direct this

question to the Solicitor General. Do the R.C.M.P. assist the immigration authorities in checking on dubious immigrants to Canada and, if so, can the minister give us an assurance that the R.C.M.P. are keeping an eye on a colleague of the notorious student leader, Danny Cohn-Bendit, who is presently in the city of Halifax attempting to foment trouble there?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, the answer to the first part of the question is yes. As to the second part of the question, under the practice of this house I would not give any such assurance one way or the other.

Mr. Lorne Nystrom (Yorkton-Melville): As a supplementary question, Mr. Speaker, may I ask whether the role and the activities of the R.C.M.P. and other police have been investigated in regard to the events which took place at Sir George Williams University this week?

Mr. Speaker: Order. The hon. member for Winnipeg North Centre.

Mr. Nystrom: On a point of order, Mr. Speaker, I think the Solicitor General wanted to answer my question.

Mr. Speaker: The hon. member for Winnipeg North Centre.

CANADIAN NATIONAL RAILWAYS

CONSULTATIONS RESPECTING PENSIONS OF RETIRED EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister without Portfolio—I refer of course to the one from the important city of Winnipeg (Mr. Richardson). My question is related to the welcome announcement just given by the Solicitor General that legislation regarding the pensions of federal superannuates is being prepared. On September 24 last the Minister without Portfolio (Mr. Richardson) said that the government was continuing to consult with the officials of the Canadian National Railways concerning the pensions of retired employees of the C.N.R. Are these consultations continuing, and is there anything to report about an increase in the pensions of retired C.N.R. employees?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, consultations are continuing but there is nothing to report at this time.

[Mr. Nesbitt.]

CANADIAN ECONOMY

ALLEGED ADVERSE EFFECT OF INCREASED SALARIES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I wish to direct a question to the Minister of Finance. Can the minister inform the house what the proposed increase in the salary of the Governor of the Bank of Canada does to the credibility of both the Governor and the government in their pleas to the public for fiscal restraint?

Mr. Speaker: Order, please. The question is clearly out of order.

Mr. Coates: On a point of order, Mr. Speaker, the government of Canada has been talking to the people of Canada about fiscal restraint in every possible area, yet it has increased by 50 per cent the salary of the Governor of the Bank of Canada.

Mr. Speaker: Order, please.

Mr. Coates: The minister should be allowed to explain this to the house.

Mr. Speaker: Order, please. The hon. member for South Western Nova.

[*Translation*]

THE SENATE

FILLING OF VACANCIES

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to ask the right hon. Prime Minister a question.

Does he intend to fill the Senate vacancies in the near future?

Mr. Speaker: I do not think that this question is urgent, and I even doubt whether it is in order.

Mr. Comeau: I rise on a point of order, Mr. Speaker—

[*English*]

Mr. Speaker: Order, please. I must bring to the attention of hon. members the fact that we are again running short of time, and so perhaps we might allow another member to ask a question.

HOUSE OF COMMONS

INACCURACIES IN TELEPHONE DIRECTORY

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct a question to the government house leader. I admit it is an unusual question but I do not know anyone else to whom I can address it. Can the government house leader inform us as to when the extraordinary situation relative to the phone books supplied to the Press Gallery and

Members of the House of Commons will be corrected and the phone books up dated? I ask this question in view of the fact that last week we received new inserts and discovered, sir, that members of parliament who were defeated last June, and who are no longer associated with the House of Commons, are given House of Commons phone numbers, while new members were not included. This also applied to civil servants. Can we have this most fantastic situation attended to—

Mr. Speaker: Order, please.

Mr. Diefenbaker: That is government efficiency.

Hon. Donald S. Macdonald (President of the Privy Council): On a point of order, Mr. Speaker, as I understand it the hon. member is inquiring about defeated members of parliament and he said defeated civil servants—

Mr. Winch: I did not say defeated civil servants—

Mr. Macdonald (Rosedale): I will inquire about them.

Mr. Winch: —and I said it was an extraordinary situation.

Mr. Speaker: Order, please. The hon. member for Champlain.

[*Translation*]

AIR TRANSPORT

INQUIRY ABOUT TRANSFER OF POINTS OF DEPARTURE

Mr. Réne Matte (Champlain): Mr. Speaker, I have a question for the Minister of Transport.

Does the shifting of Air Canada departures from Montreal to Toronto result from the delay in selecting a site for the Montreal International Airport?

[*Later:*]

Mr. Matte: Mr. Speaker, I am coming back to the question I have just put and I am turning it into a matter of privilege since it is extremely urgent.

In early February, an editorial was published in—

Mr. Speaker: Order. The hon. member would perhaps like to put the question again and the minister will decide whether it should be answered.

Mr. Matte: In that case, I would ask the minister whether the transfer of Air Canada departures from Montreal to Toronto stems from all this beating around the bush concerning the choice of a site for the Montreal International Airport.

Mr. Speaker: After hearing the question for the second time, I still think it unacceptable, but it might be simpler to let the minister answer.

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I must admit I did not understand the question either the first or the second time. I would be quite willing to listen once more, but I am not sure what the hon. member is referring to as being moved, or his allegation that something has moved from Montreal to Toronto. Perhaps if he would be a little more explicit I could help him.

Mr. Speaker: In view of the difficulty in this situation the minister might take note of the question when it appears in *Hansard* tomorrow.

REQUEST FOR STATEMENT OF AVIATION POLICY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Transport. In view of the concern that has been expressed by the 224 members of the Air Transport Association of Canada is it the government's intention to announce this session a consistent federal aviation policy, with special reference to a policy governing mainline and regional carriers?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, there is a policy in existence which is being implemented at the present time. In respect to regional carriers, as my hon. friend well knows, there was a considerable period when it was not possible to implement the announcements made by my predecessor but these are now in process of being implemented, and I think the situation is improving and is being well received by the industry and the travelling public. There will, of course, be further changes in due course. A number of these are under study by the government, and particularly by the Minister without Portfolio (Mr. Richardson). I do not imagine that there will be any immediate announcement, but within a reasonable length of time I have no doubt that we shall have other announcements to make to the House of Commons.

Inquiries of the Ministry

CASTLEGAR, B.C.—CONSULTATION BEFORE CHANGE IN SERVICE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Transport. Were the municipalities involved in the operation of the Castlegar airport and other airports consulted by the Canadian Transport Commission before the decision was made to authorize B.C. Air Lines to operate local services on C.P.A.'s southern run?

Mr. Speaker: Order. I think this question could easily be placed on the order paper. Perhaps if there is urgency about it, it could be discussed at the time of adjournment.

Mr. Harding: Ten o'clock, Mr. Speaker.

HOUSE OF COMMONS

TELEVISING OF HOUSE AND COMMITTEE PROCEEDINGS

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a question to the President of the Privy Council related to a question posed yesterday by the hon. member for Saint John-Lancaster. In view of the considerable importance and value of the broadcasting of the three constitutional conferences that have been held in the last year and a half, and the considerable difficulties encountered in reaching some kind of decision on that question with respect to this house and its committees, would the President of the Privy Council give consideration to immediate discussion and possible experimentation with such a television service, with perhaps the initial discussion taking place in the special committee on procedure?

Hon. Donald S. Macdonald (President of the Privy Council): I will give that consideration, Mr. Speaker.

CANADA ELECTIONS ACT

REQUEST FOR REVIEW BY STANDING COMMITTEE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the government house leader. Noting the paucity of government orders on the order paper I wish to ask whether consideration is now being given to initiating steps for a thorough review of the Canada Elections Act by the appropriate committee?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, if the hon. member looks again at the notice paper he will find there is quite enough business listed on it, but it would be our intention to refer all aspects of the Canada Elections Act to the Committee on Privileges and Elections.

Mr. Macquarrie: Does the minister mean the whole act?

Mr. Macdonald (Rosedale): Mr. Speaker, if we refer only the whole act this would not encompass some additional suggestions that have been made to hon. members in a recent report; so I think it would be better to have a broader reference to the committee than just the existing statute.

LABOUR CONDITIONS

ENCOURAGEMENT IN ESTABLISHING MARITIME UNION

Mr. Barry Mather (Surrey): Mr. Speaker, I wish to direct a question to the Minister of Finance supplementary to one asked earlier this morning regarding depressed conditions in the maritime provinces, and their need for further financial help. Would the Minister of Finance do what he can to encourage the maritime provinces in their current study of the benefits of establishing a Maritime union?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this of course is a matter for the maritime provinces. I understand they are carrying out such discussions and I believe they have commissioned an economic study in this regard.

[*Translation*]

THE SENATE

INQUIRY AS TO ABOLITION

Mr. Henri Latulippe (Compton): Mr. Speaker, I would like to put a question to the Right Honourable Prime Minister.

I would like to ask the Right Honourable Prime Minister if he or his government thought of abolishing the Senate?

[*English*]

HOUSING

IMPLEMENTATION OF TASK FORCE RECOMMENDATIONS

Mr. John Gilbert (Broadview): Mr. Speaker, I should like to direct a question to the Minister of Transport, who is in charge of housing. In view of the fact that the hon. member for Parkdale informed the house last night he had been advised by the minister that legislation in respect of housing would be

ready within three weeks, is it the intention of the minister to bring forth that legislation within three weeks?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the hon. member for Parkdale is an optimist, and so am I. Certainly everything possible will be done to prepare this legislation, but as I indicated earlier today it will take some weeks to draft it, after the government had decided on its policy. I know that my hon. friend, along with all members of the house, will give us every encouragement to move forward with this important legislation.

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I rise on a question of privilege. I wish to inform the house that yesterday in answer to the question by the hon. member for Broadview I said "a few weeks", not "three weeks".

Mr. James A. McGrath (St. John's East): Mr. Speaker, will the minister check with the Minister of Finance to see whether this optimism will wear off on him too?

Mr. Hellyer: Mr. Speaker, the Minister of Finance is an optimist, otherwise he would not be the Minister of Finance.

Mr. Gilbert: On the question of privilege, Mr. Speaker, I apologize to the hon. member for Parkdale. I thought he said "three" instead of "a few".

GOVERNMENT ORDERS

DOMINION-PROVINCIAL CONFERENCE

HOUSE DEBATE PROVIDED THROUGH PRE-ARRANGED MOTION TO ADJOURN

Right Hon. P. E. Trudeau (Prime Minister): moved:

That this house do now adjourn.

He said:

[*Translation*]

Mr. Speaker, the purpose of this debate is to permit hon. members of this House and particularly those in the opposition parties, to express their opinions about the whole process of constitutional review. Opportunity to state the position of the government was given me during the last few days. It is not my intention today to repeat what I said at that time. The importance of the conference, and of the work in which it is engaged, does require me to make a short report, however.

Those members who viewed the conference proceedings either actually, on television or through radio, are aware of the wide range of subjects which were considered, and of the even wider range of views which were expressed about those subjects. Notwithstanding the divergency of opinions, however, a considerable degree of consensus was reached as is evident in the final conference document which I have tabled today.

Obviously we did not in the three days of the conference acquire a new constitution, and no one ever suggested that that was possible. We did in those three days move a long distance toward a new Constitution.

[*English*]

Mr. Speaker, I should be less than frank if I did not say that I would have liked the conference to have adopted the federal proposal for an entrenched bill of rights, but I am very pleased that on many subjects we made a great deal of progress. An examination of the documents which I tabled this morning reveals that an impressive number of constitutional items were advanced an appreciable degree. The conference agreed to continue with the constitutional review, and at an accelerated pace; it was affirmed that studies of linguistic questions be undertaken by a committee of ministers; the same proposal was accepted about the item concerning the entrenchment of fundamental rights and liberties in the form of a constitutional charter; the spending power will be examined as will the question of regional disparities; the structure and role of the Senate and Supreme Court, two of the institutions of federalism, were brought into review, and so was the concept of the National Capital area, which is one of the very important institutions of federalism.

I believe this shows a remarkable degree of concensus on a large number of questions of considerable importance. There is still another aspect upon which the conference was very successful. I have in mind the opportunity it gave to the people of Canada to observe on a close and intimate basis the complexities, and the varieties, of the problems which must be taken into account in shaping the future of this vast country. The frank expressions of opinions voiced by the heads of the various provincial governments were a dramatic illustration of just how theoretical and how academic are many of the treatises which purport to explain the constitution of Canada and which purport to explain the way in which Canada is governed.

The conference was for both observers and participants an educational exercise of considerable importance. I believe we all learned much of the hopes and the complaints, the priorities and the interests, as well as the varying degrees of involvement of the several governments in Canada with this constitutional question. It permitted us all to understand better our mutual and individual problems.

[*Translation*]

As I say this, however, I do not intend to create an impression that our task is over. I am convinced that none of the provincial premiers want such an impression to be left. This conference established, if there were any need to establish, that all provincial governments are resolved, as is the federal government, to improving the economic opportunities of our people. It established that all provincial governments are anxious, as is the federal government, to improve the operation of our federal system. It established that all provincial governments are firm, as is this government, in a commitment to protect fundamental human rights. Of course, agreement has not been reached on the means to achieve this objective, but all heads of government have indicated their willingness to work towards a better protection of human rights. We all acknowledge that the grave difficulties we face are in part the result of oversight, in part the result of errors, but mostly because of our past inability to forecast future events. All omissions past and present were made in good faith. There has been perhaps some incapability to solve complex problems in an industrial society which is experiencing a unique type of federalism.

Nevertheless, Mr. Speaker, in the Canada of 1969 good faith and understanding, fundamental though they are to the continued development of this country, are not by themselves enough. To them must be added other ingredients: energy, discipline, a sense of urgency. The exercise in which we have engaged ourselves—making modern our constitutional framework to permit a more equitable distribution of resources and opportunities among the people of Canada—this exercise, is a complicated one. It demands of us the best that our imagination and our experience and our political skills are able to provide.

• (12 noon.)

[*English*]

There were some suggestions at the conference that Canadians face challenges more pressing than the reformation and redrafting of our constitution, that our energies would be better expended in seeking solutions, for instance, to current problems which require no constitutional amendment. These arguments are persuasive because they are to a large extent true. It is of little use to draft a new constitution if in the meantime financial pressures upon the many levels of government become unbearable. It is to a degree illusory to speak in terms of a bold new plan for the future if we cannot ease the intolerable conditions of poverty in which too many Canadians now live.

These arguments, I repeat, are persuasive but they are not compelling; nor do I think that they were intended to be compelling. They were intended to remind us of a very important aspect of our labours, but they were not, I believe, made in the sense that constitutional review must take second place. For if we were now to abandon the long-run for the short-run, we would have overlooked an ingredient in our lives which we dare not fail to consider. That ingredient is the future.

Even as we examine our constitution and discuss the current pressures which bear upon all levels of government, we know that there are other pressures which have scarcely been defined, let alone brought under control. The longer these pressures are allowed to continue unchecked, the more difficult will be our task to deal with them. One such difficulty which comes to mind is likely the greatest challenge to the continuation of life on this planet, the problem of environmental pollution.

Our apparent disinterest or lack of action in regard to this problem, as reflected by the widespread lack of serious study and the infrequent attempts at effective controls, may well govern the quality of life in Canada in the last three decades of this century. This challenge of pollution of our rivers and lakes, of our farmlands and forests and of the very air we breathe, cannot be met effectively in our federal state without some constitutional reform or clarification. It is important that we know which level of government is responsible and, if both, in what way they are ready to co-operate through the use of the spending power and other devices to permit these problems to be tackled properly.

I believe this is true of many other problems which are sometimes brought to the attention of this house, problems such as urban renewal of housing and urban transport. These problems cannot be dealt with

properly because the present constitution is either silent or vague about the level of government which has the legal competence to tackle them. Until the constitution is brought into the 20th century in some of these respects, governments are to a large degree powerless to solve the problems either by acting alone or in co-operation with other levels of government. These are current difficulties which face Canadians and are spawned by this technological age; they could not have been foreseen 100 years ago.

Many of the subjects that we discussed, such as the spending power, which perhaps seemed theoretical to many, are at the heart of all these questions. We are very often asked, as a government, to do something about a problem that is not under federal jurisdiction. We are very often asked by some to do something which can only be done through the use of the spending power, and then we are told by others that the spending power should not be used. So it is important to clarify these issues. The examples I have given are only a few of the many reasons why there is a great, pressing need for this constitutional task to be moved forward.

Another of the reasons, and perhaps more important still, is the temper of the youth of this country. There are in Canada today more than ten million persons below the age of 25. These young people are not content to permit the future of Canada to be fettered in any fashion by the failure of governments to proceed promptly and adequately with these various tasks and with the constitutional task which lies at the bottom of any action. Forty-nine per cent of the population of Canada will not accept a relaxed and casual attitude toward these preparations for our second century.

I trust that by saying this I shall not be accused of injecting an unnecessary note of alarm or crisis or panic into an otherwise contented country. I simply say that there is an urgent need for continuing progress, that we would be misleading ourselves if we did not recognize the mood of the country. We would be misleading ourselves as well if we assumed that we are now past the most difficult part of these discussions. The most difficult parts are still to come. We the government realize it very much, and we hope that the opposition will come forward with concrete proposals which will help us in our task.

Notwithstanding these caveats, I wish to say how pleased I am with the progress made at the session of the conference which was held this week. I wish to say as well that I anticipate continued progress and at an acceptable pace. We are already setting in motion provisions for a meeting of the continuing committee of officials early in April. If there is agreement between the federal and provincial representatives of that continuing committee, I am sure we will be able to go on to the third stage of our conference in a very short period of time.

[*Translation*]

Mr. Speaker, after tabling this document which manifests the points of consensus achieved at the Constitutional Conference, I express publicly the indebtedness of the government to the officials and members of the public service of Canada who have contributed so much to this process of constitutional review. Their skillful assistance has permitted the Continuing Committee and the Conference Secretariat to contribute an immense amount of valuable and accurate material for ministerial decisions. I am sure that all members of this house join me in offering thanks to them.

[*English*]

The conference on the constitution is a continuing and established fact. In a period of just over 12 months it has met twice and it gives, as I said a moment ago in French, promise that it will meet more frequently in the future. Canadians will be the better for it.

Having made these general remarks, Mr. Speaker, I would prefer to sit down and listen to the opposition. Indeed, I am quite anxious to hear the opposition spokesmen on this very important subject. I hope they will not take all their time trotting out the usual clichés about failure and about zero performance. I hope they will not say on the one hand that we have been too rigid and unbending with regard to provincial demands—

Some hon. Members: Hear, hear.

Mr. Trudeau: —and on the other hand that we lack leadership and that we weaken the federal government's position in the face of the onslaught of the provinces. We expect clichés and we do not mind them but we would really like to know what the opposition parties think about the constitution.

• (12:10 p.m.)

For two years or more they have been urging that we get on with the task of constitutional reform. At various times some members have urged that a committee of the house be set up, or that there be a vast national

conference of all heads of institutions in Canada, as has been suggested by other members. We would like to know now what the opposition thinks about the Canadian government's attitude and about the purpose of the conference itself. Do they believe in a total review or do they believe in a piecemeal approach? What do they think about the monarchy and about the demands concerning the monarchy that have been made by some of the provincial governments?

Mr. McGrath: You are the government. What do you think about it?

Mr. Trudeau: We have stated what we think about it. If the hon. member wants me to read the position papers of the federal government I will do it, of course, but it would be more useful if the opposition took a constructive approach. What do they think about the Supreme Court, and how do they think it should be reformed in a way acceptable to the provincial governments? How do they propose to deal with the suggestions made by some provinces concerning the appointment of judges to the Supreme Court? What do they think about the reform of the Senate about which we hear so much talk in the house? How would they deal with it? Would they abolish the Senate?

Mr. Knowles (Winnipeg North Centre): Hear, hear.

Mr. Trudeau: I would point out to the hon. member for Winnipeg North Centre (Mr. Knowles) that he is not reflecting the position taken by all the provincial governments. They do not want the abolition of the Senate; they want a Senate which would in some way reflect the provincial and regional interests in this country. What do the opposition think about this difficult problem? What do they think about the national capital, a matter on which we have made great progress?

An hon. Member: You have the mandate.

Mr. Trudeau: We have taken a position on these matters which we have developed in conjunction with our caucus. We have developed it over a period of some months and now we want to know if the opposition have different thoughts on this because we feel there is a division of opinion on this subject. For example, we have made proposals concerning the Supreme Court, and they are quite clear. We have heard from the Conservative benches suggestions for a constitutional court which would be different and apart from the Supreme Court. The Leader of the Opposition has not taken this position but apparently some members of his party from Quebec have. I would like to know the position of the opposition to use as a guideline.

What is the opposition's position on the charter of fundamental liberties which we want to put into the constitution? Do they agree with the position of some provincial premiers that there should not be such a charter and that we should leave these matters to the statute laws, or do they agree with the line of thinking which was so ably presented in the house a few years ago by the right hon. member for Prince Albert (Mr. Diefenbaker)?

What about linguistic rights? Here again we are in a very delicate and difficult area. There have been some taunts from the opposition on this subject but we have not yet obtained any constructive suggestions. This whole question brings us into the area of the two-nation theory which was put before the conference by the prime minister of Quebec in his brief. We know that this two-nation theory was expounded at the Montmorency conference of Conservatives a couple of years ago, and we also know that it does not mean the same thing to all members of the opposition. However, we from Quebec know that in the mouths of most of those who ran for the Conservative party in Quebec it means something quite different from what is meant by the Leader of the Opposition.

We would like to have some clarification on this subject, especially as I was told that a few days ago that eminent Conservative constitutional expert, Mr. Camp, said that at Montmorency the Conservatives hammered out a policy which is exactly the same as ours. I was very glad to hear that, but I am sure that this is not the message that got across to the province of Quebec when the Conservative candidates were speaking there last spring. This subject is all the more urgent as it was brought up again earlier this week in the brief of the province of Quebec. In that brief the Quebec Government also included provisions for a special status. We know that the New Democratic Party last year moved a non-confidence motion in the government because we did not support a special status. This is the time for the N.D.P. to state clearly what they mean provided, of course, they know what they mean.

An hon. Member: You should know because you were one of them not so long ago.

Mr. Knowles (Winnipeg North Centre): Would the Prime Minister permit a question?

Mr. Trudeau: Very gladly.

Mr. Knowles (Winnipeg North Centre): I assure him it is a helpful question. In view of the Prime Minister's desire to hear what the opposition has to say, would he stay in the house for the debate today?

Mr. Trudeau: It is usually my practice to hear the leaders of all the opposition parties in an important debate such as this and I plan to do so today with the proviso that I have to be in Quebec city by four o'clock and so will have to leave at 3 p.m. This engagement in Quebec was made last fall at the time when the constitutional conference was to have taken place in December. It was postponed through no fault or initiative of the federal government. But I can assure the hon. member that I will read *Hansard* if I miss any important part of the debate.

The matter I have been dealing with was brought into the conference under the heading of distribution of powers, and it is a very important next step in our constitutional debate. We will have to spell out the federal position on the distribution of powers between the federal and the provincial governments. We have not yet reached this stage although, I repeat, some of the provinces have made submissions on it, and therefore we will be anxious to hear the ideas of the opposition on this subject.

We dealt with two aspects of the distribution of powers: the aspect which one would call the spending power and the aspect concerning the taxing power, both of which are linked in a very immediate and direct sense to the whole question of regional disparities. Members of the house know of the tough debate at the conference on the spending power and know as well how we came to the conclusion that a great deal more thought must be given to the use of the spending power. It was obvious that some provinces objected to uses of the spending power which were recognized as essential by other provinces.

For example, some provinces objected to medicare because they said it was a bad use of the spending power, whereas the same provinces pressed for and urged upon us the hospital insurance scheme, which is exactly the same use of the spending power. Some of those who objected to the federal use of the spending power were the very same ones who urged us, for instance, to solve the problems of housing or pollution and in some cases to come to the aid of Expo in Montreal. Are these areas where the federal government should intervene with its use of the spending power? If so, does it mean we should only use the spending power when the provinces desire that we use it and never when we decide it is good for the country? And does this mean that the federal parliament need not exist, or can only exist as a tool of the provincial governments? We have spelled out our position on some of these issues. We are now asking the opposition to give us the guidance they think they have to offer.

• (12:20 p.m.)

I believe I have asked enough questions. We have indicated the position taken by the federal government on most of these matters in the booklet which was tabled last Friday—"The Constitution and the People of Canada." I just want to remind the opposition before I sit down that it is their duty under the parliamentary system to criticize, and we accept that criticism, generally, in a happy frame of mind. But it is also a duty of the opposition parties to provide plausible alternatives to the policies with which they have disagreed.

Some hon. Members: Hear, hear.

Mr. Lewis: Will the Prime Minister permit a question? I know it is sharp but that is because of the way in which he has taunted the opposition. May I ask the Prime Minister when he will cease to be a professor and become the leader of this house?

Some hon. Members: Hear, hear.

Mr. Trudeau: I apologize to the house if the house believes I am lecturing it. That is not my intention. I do not believe it is the role of a professor to taunt and I do not think the hon. member himself thinks it is. I do not know how he can accuse me of speaking like a professor and at the same time of taunting the opposition.

Mr. Lewis: It depends on the quality of the professor.

Mr. Trudeau: I am prepared to sit down, Mr. Speaker. I urge the leader of the New Democratic Party to give us his ideas in whatever way he desires, in a professorial tone or in his usual demagogic tone.

Some hon. Members: Oh, oh.

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Muir (Cape Breton-The Sydneys): He hasn't got much of an act to follow.

Mr. Speaker: Order.

An hon. Member: Let it come from the heart.

Hon. Robert L. Stanfield (Leader of the Opposition): I am afraid it has to come from the heart, Mr. Speaker. I do not think anything has happened since I came to Ottawa—and I speak with some emotion—which has discouraged me so much about the future of our country in so short a time as the speeches made by the Prime Minister.

Some hon. Members: Hear, hear.

Mr. Stanfield: I am sorry if I seem to speak with some emotion. I am very disappointed. I have felt a great deal of concern during the past year about the tendency of the Prime Minister to approach certain great national problems in terms of confrontation rather than reconciliation. We have, unfortunately, seen a further example of that this morning.

It is my belief that in order to make progress, let alone solve the tremendous problems facing our country, we shall need the good will and the understanding of everybody in the country and especially of every member of this house. Whatever our contribution may be, we should be invited to make it. We should be presented with every opportunity to do so. I say in all sincerity that it is a tragedy for this country when the Prime Minister stands in this house and taunts the opposition, which is not serious in itself but serious only in the light of the subject involved.

I have always tried to approach the constitutional question with restraint and with responsibility. I have always felt strongly it ought not to be a partisan issue in the ordinary sense of the term. I have no intention of responding to the Prime Minister in kind, though I might enjoy doing so, as would my followers behind me.

In all seriousness, it is now the responsibility of those who sit in opposition to undo the damage which has been done by the Prime Minister.

Some hon. Members: Hear, hear.

Mr. Trudeau: They should have thought of that before they began interrupting me.

Some hon. Members: Oh, oh.

[Mr. Trudeau.]

An hon. Member: Take your ball and go home.

Mr. Trudeau: Let your leader speak.

Mr. Stanfield: If the Prime Minister is suggesting he was provoked into making some thoughtless remarks which he would now like to withdraw, we would provide him with every opportunity to do so. But I was under the impression he was reading from a prepared speech.

Mr. Trudeau: I will withdraw if the questions asked during my speech are withdrawn.

Some hon. Members: Oh, oh.

Mr. Stanfield: Come, gentlemen, let us try to get things back to a point from which we can have a reasonable discussion. I say in all sincerity we are not off to a very good start. I did not come here this morning to find fault with the conference.

Some hon. Members: Oh, oh.

Mr. Stanfield: Hon. members opposite can laugh if they like. I hope any criticism I make will have some bearing on the future, not just on the past, and I hope that some of the things I say will at least be instructive to those who are prepared to listen. I believe it is my duty to talk frankly. I think it is the duty of all of us to talk frankly about these problems. I would be guilty if I were, on the one hand, to indulge in unnecessary or trifling criticism and, on the other hand, equally guilty if I were simply to gloss things over for the sake of keeping an appearance of peace in the country.

• (12:30 p.m.)

I recognize the great difficulties that are involved in the constitutional question. I do not think I have ever taken any position or said anything that was intended to deepen any difficulties in the country. I have no desire to minimize the difficulties that are involved or the difficulties that are facing the government which is charged with the responsibility of trying to ease the problem. On the other hand, it is certainly important that we recognize our difficulties and recognize them realistically. Certainly this is necessary for progress. It is no favour to the country to pretend that they do not exist. It is no favour to the country to sweep them under the rug or even to sweep them back into committees of officials. Certainly it is no favour to the country to oversimplify the problems. It would be a poor service to the country for us to do any of these things.

I think it is important to preserve confidence in our ability to solve our problems in Canada. Therefore it was pleasing to me, and I think to Canadians generally, to see the conference conclude in a spirit of cordiality between the Prime Minister of Canada and the premiers who were participating. It must have been reassuring to see the willingness of those participating to continue their work and to try to reach solutions. If the conference did not create solid confidence in our ability to solve our problems, I think it certainly left the people of Canada with the hope that they could be solved. By and large I think the people of this country are going to judge what happens now and what grows out of and develops from this conference.

Those who participated in the conference and the hundreds of thousands, indeed, probably millions, who watched the proceedings on television would probably be hard put to be very specific about what concrete progress was made by the conference. For example, the delegation from Quebec expressed disappointment that the conference was not able to give serious consideration to problems that were paramount to that delegation.

For encouragement it is necessary to rely on the fact that the conference certainly did not destroy confederation, as some perhaps feared might be the case. Most statements of position and exchanges of views were responsible, and such exchanges of views are healthy in themselves. As a result of the conference being held before television cameras there is hopefully, as the Prime Minister expressed it, a better understanding of the country and the various approaches to be taken to Canada's many problems, both long and short term, as well as a better understanding perhaps of the attitudes and motivations of people in different parts of the country.

I think we have to ask ourselves how much longer we can continue to rely upon expressions of good will by participants in these conferences, and upon such conferences concluding with what must be described as a series of generalities without seeming, to the ordinary person at least and to those of us who observed the conference, to involve very substantial progress. As somebody said, Canadians have now seen this movie on three occasions. We who speak after these conferences said much the same thing following the Confederation for Tomorrow Conference, the first federal-provincial conference of last February, and now this conference. Any agreements that were reached were very general and the more difficult problems, such as the division of powers, the problem of federal spending power and so on, were touched on but not seriously discussed with a view to reaching any conclusions. They were quickly referred, of course, back to committees for study.

The conference certainly was part of the important on-going effort to work out arrangements that will be just and acceptable to Canadians generally and which I hope will be lasting. It is hard to point to any area where concrete progress was made. It is hard to find any area in which it can be said we are really closer to agreement than we were before. There is at least one vital area, that of linguistic rights, where some ground seems to have been lost during the past year, where we seem to be somewhat farther behind than we were.

However, in spite of this the conference avoided the kind of intransigence and confrontation which would have left us fearful about the future of confederation. It avoided too the kind of confrontation that we have seen here this morning and which, frankly, leaves me fearful for the future of confederation. Various premiers, especially the prairie premiers, did not live up to advance billing as the ogres of confederation, an advance billing which at least one premier claimed—I hope he was not correct—was the result of unfair briefings by federal officials. The prairie premiers appeared before the conference as representatives of provinces with grievances and genuine problems, which they presented in a dignified and constructive way, that they related to the health of the country itself. That was the context of their presentation, instead of the narrow, parochial or petty attitude that some had unfairly attributed to them before the conference began.

The premiers stated their grievances and in the end the Prime Minister promised, I think in a joking way, that he would mend his ways. I hope it was not entirely a joke in the sense that I hope the conference really brought home to the Prime Minister and to members of the government the importance of preserving good federal-provincial relations on a day to day basis. To the extent that the Prime Minister was serious in his remark I hope he will persevere in his good intentions as expressed at that time. The opportunity that this conference gave to bring home to

the government the importance of good work-aday federal-provincial relations was a very important and worth-while aspect.

There is certainly dissatisfaction in varying degrees with the constitution that has served us since 1867. Perhaps there is—and I think this might be a positive result from the conference—more agreement now than previously on the need to update the constitution. The Prime Minister said that he wanted to know whether we favoured partial, piecemeal or general reform of the constitution. I have no hesitation in saying that it is certainly our view that we want a general review of the constitution. We realize that a good many of these things hang together. On the other hand, if we can make progress in a particular area I hope we would not hold that back until the whole job was completed. But certainly it would be our view that a general review of the constitution ought to be achieved. This does not necessarily mean rewriting every word in the constitution; certainly, it means a general review. I think the conference, perhaps made the need for this widely understood in the country as a whole. This is another dividend from the conference.

• (12:40 p.m.)

It is clear that the provincial representatives who came to Ottawa this time were not impelled by the urgency to work out revisions to the constitution. They were not so much incensed at anomalies or inequities in the present constitution, the British North America Act, as they were at the way in which the federal government has been exercising the federal power and interfering in provincial financial jurisdictions. The government of Quebec, which quite obviously placed great importance upon a far-reaching review of the constitution, was very much concerned about the way the government of Canada has been operating under the present constitution. That, I think, was unfortunate. That concern proved a real stumbling block and prevented us from moving ahead with the discussion of the longer term problems in connection with the constitution.

Provincial representatives referred to a number of subjects. The federal government was accused of imposing programs involving provincial jurisdiction on the provinces without holding prior meaningful consultations with the provinces. The provincial premiers were virtually unanimous in condemning the federal government for withdrawing from certain programs after it had got the provinces involved in them. Some pretty severe words were said about the 2 per cent social development tax and the changes proposed in the succession duty and gift tax fields. At the beginning of the conference the climate was affected by the bitterness that followed the last meeting of the ministers of finance. After that meeting provincial representatives went away feeling that the government of Canada was completely insensitive to their problems and that the federal government was willing to wage political warfare against them, just as the Prime Minister seemed content to wage political warfare against us this morning.

It is clear the government of Canada went to the conference just finished with the longer term problems of the country in mind. It was thinking in terms of constitutional reform. It is also clear that the provinces came carrying with them a brief from their taxpayers whom they felt were already overburdened.

No one can object if we send to committees matters which have been dealt with at previous conferences, matters involving various institutions, our concept of federalism and matters pertaining to the Supreme Court and Senate. The Prime Minister wanted views expressed on these institutions. Personally I believe that measures taken to increase the truly federal aspect of the Senate, if that is the correct term, which would strengthen the federal nature of the country would be sympathetically received by the people. I also hope that constructive measures will be taken to involve this chamber and the other chamber in discussions relating to these matters. We should be very happy, as individuals and party spokesmen, to give the Prime Minister our views in committee on questions he has raised.

The question of regional disparity has not yet been much illuminated, I must say, by the responsible minister. It now appears he is to produce some legislation next week, at which time he will make what he has promised will be a comprehensive statement. At this time I content myself with saying that we recognize the desirability of including in the constitution some provisions relating to economic disparity. I will judge the effectiveness of this government and the measure of its good intentions by the actual programs in this regard that it brings forward. We are waiting for them impatiently.

I have said that we seem to have slipped back on the subject of human rights. I am referring to the charter of individual human

rights. I regret that the conference did not reach any real agreement on this matter. I regret there was no agreement of a general nature. Surely we are not going to consider any opting-in program as a satisfactory solution in this area.

At the conference there was no serious coming to grips with problems such as the division of powers, the use of federal spending powers, and operations of provinces outside the country. I was sorry to see this last matter was not discussed seriously because I think there is a continuing danger that isolated events may escalate the heat of the current controversy. I had hoped the matter would be seriously discussed by the Prime Minister and the heads of all provincial governments with a view to reaching solutions in a rational atmosphere. It is best to discuss the matter when there is no particularly strong controversy in the air. We should not wait to discuss it until events overtake us willy-nilly and we are in the midst of a controversy.

The conference recognized that there are difficult problems facing the country in terms of living together, but it did not deal with them seriously. There was not much progress in areas involving linguistic and basic human rights. We must not hide from ourselves the importance of coming to grips with some of the many fundamental and difficult problems facing this country. We must really come to grips with them and with problems relating to federal spending powers and the general division of powers.

For two reasons I have dealt with the atmosphere in which the conference met and with the importance provincial premiers attach to their day to day and month to month dealings with government. First, the discussion of these relationships took so much time that not much time was left for an in-depth discussion of the country's constitutional problems. That was one unfortunate result of the prevailing atmosphere. Second, because of the existing atmosphere, when constitutional matters were discussed the provincial premiers could not give them their undivided attention. Short-term difficulties, if one cares to call them that, were constantly on their minds and affected their handling of subjects at the conference. Therefore they could not devote their deepest attention to questions involving constitutional matters. Certainly it is of the utmost importance to avoid this sort of atmosphere in future. In this way, when the federal government and the provinces set up machinery for consultation there can be a realistic discussion of priorities before the next federal budget is introduced and before the provincial budgets of 1970-71 are introduced. Most of the matters of short-term importance discussed during the conference can be dealt with.

• (12:50 p.m.)

I hope the Prime Minister and his colleagues will not cut existing cost-sharing programs or, on the other hand, commence new cost-sharing programs without serious and meaningful consultations with the provinces. Under the circumstances it was inevitable much time would be spent discussing the grievances of the provinces and the manner in which the federal government had exercised its spending power. I express the hope that, whatever difficulties we may have with our constitution, constitutional discussions in the future will not be hampered by feelings of distrust or bad feelings that may arise from poor federal-provincial relations in other areas. It is important that there be progress.

The government of the province of Quebec served notice that the next time it wanted serious discussion on some of the matters it considered basic. I say that these problems will not be solved by confrontation nor will they be solved if we adopt a rigid conception of the constitution. The constitution we develop must be related to Canada as it is. It is not good government to try to put Canada into some abstract conception. It is necessary and vital that any constitutional changes to be devised enable us to live and work together.

When these changes are discussed, whether it be in the house, in a committee, in the federal-provincial conference or in other places in the country, we will keep in mind the good advice given by the Premier of Nova Scotia at the conference that we have to be prepared to pay a certain price for confederation. If I have a definite idea which is divisive I will not attempt to force this idea on others. We all have to be prepared to pay a certain price for confederation. We must be prepared to make a serious and continuing effort involving genuine reconciliation and confrontation.

This is one of the reasons we are suggesting a parliamentary committee be established. There are many questions now being discussed concerning the powers of government, the powers of parliament, the relationship between the two houses of parliament, the proposal to put in writing some of the conventions which govern parliament and the

government. It is important that we have genuine consultation between the government and the house and between members of the house. Participatory democracy should prevail in this area. This alone is sufficient reason for establishing a committee. It is particularly relevant because of the proposals put forward regarding the other place. We would be prepared to discuss these proposals very frankly with the Prime Minister. I have no hesitation in endorsing the general principle that the government is putting forward in connection with this reform, but I believe it would be very helpful if there were a joint committee of the Senate and the House of Commons to engage in meaningful discussions regarding these reforms.

Furthermore, it is rather strange that constitutional discussion has been going on across the country, including in the provincial legislatures, but there has not been any opportunity for the parliament of Canada to confront these problems in a formal and continuing way. The Prime Minister did not expect to produce a new constitution in three days of meetings with the provincial premiers. We do not expect to get very far in producing a new constitution with only one day of discussion in this chamber. I earnestly suggest it would be very helpful to have a committee established. There should be discussions among the party house leaders as to the terms of the reference of the committee. It should not be restricted and confined to discussing only those matters previously discussed by officials. We have suggested this on numerous occasions, and I think this is an opportune time to proceed with it.

Some of us have recognized for a long time that this whole problem is exceedingly complicated and sensitive. It does not lend itself to oversimplification or sloganeering. I say this issue must be free of narrow partisanship. It does not lend itself to political one-upmanship either among federal parties or at the federal-provincial level. At this stage in Canada's history it would be very easy to arouse suspicion and resentment. It would be a very simple matter to divide this country very deeply and permanently. That is not my purpose and certainly not the purpose of the loyal opposition in this parliament.

Some hon. Members: Hear, hear.

Mr. Stanfield: We would be very happy to discuss in a continuing way any matter the Prime Minister would like to refer to a committee and we would be happy to hear his views on the constitution. He is in no doubt as to where I stand regarding the constitution. He may have pretended to be in doubt during the last election campaign and again this morning. Those remarks were not made to seek enlightenment.

Mr. Trudeau: I certainly did not get any enlightenment.

Mr. Stanfield: It is more urgent now than it ever has been to face and resolve the problems of our federalism, not merely because time is running out but it is urgent also as in this last year there has been a discernable tendency away from reconciliation. Positions which were becoming flexbile have begun to grow hard, and the attitude of the Prime Minister will not make them grow softer.

We all know enough of Canada to say that if our various parts are determined to be insular and intransigent, then our future is in danger. Yet we all also believe that if there is a will to unity we can achieve a strong, distinctive and creative unity in Canada. We have a particular responsibility here. We are the parliament of all of Canada, specially charged to bring the parts of Canada together and keep each strong. If hon. members opposite want to engage in a partisan debate we would not be happy to do so but would be prepared to do so, and the blood would certainly not be on this side of the house.

• (1:00 p.m.)

Some hon. Members: Hear, hear.

Mr. Stanfield: I am afraid that, as in the case of the taxpayers, it would be the blood of Canadian citizens we would really be shedding. This Canadian debate has been renewed now almost for a decade. It has returned here for a day, and a few of us will be able to express our hopes and attitudes. We as individuals and as an institution have a larger continuing responsibility. That is why we urge the government to make it possible now for members of this parliament to participate formally and over a period of time in the working out of a consensus, a consensus which we will have to work very hard on in order to achieve.

Some hon. Members: Hear, hear.

Mr. Lewis: Mr. Speaker, I do not know whether the Leader of the Opposition (Mr. Stanfield) has completed his remarks.

Mr. Stanfield: Yes.

Mr. Lewis: If he has, may I call it one o'clock, Mr. Speaker?

PRIVILEGES AND ELECTIONS

MOTION FOR CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, if the house gives unanimous consent I move for Mr. Laflamme, seconded by Mr. Forest:

That the third report of the Standing Committee on Privileges and Elections be now concurred in.

[*Translation*]

Mr. Gustave Blouin (Manicouagan): Mr. Speaker, now that the report of the standing committee on privileges and elections has been tabled in the house and that the moment of truth has come, I am indeed very happy of the evidence given before the standing committee of privileges and elections and of the report resulting from it. That report clearly indicates that the charges laid against me by the hon. member for St. John's East (Mr. McGrath) on December 10 last, and reported on page 3734 of the official report of the Debates, were false and unfounded.

Those most serious charges—

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a question of privilege.

[*English*]

Mr. McGrath: Mr. Speaker, I rise on a question of privilege.

[*Translation*]

Mr. Deputy Speaker (Mr. Béchard): Order. The hon. member for St. John's East, on a question of privilege.

[*English*]

The hon. member for St. John's East on a point of privilege.

Mr. McGrath: I hesitate to interrupt the hon. member but I wish to state that at no time did I make a charge against him.

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): You are weaseling out now.

[*Translation*]

Mr. Blouin: Mr. Speaker, those most serious charges reflected not only on my personal integrity but also on my honour as a member of parliament. We can appreciate the seriousness of those charges if we read the remarks made by several other members, following the charges laid by the hon. member for St. John's East.

The hon. member for Calgary North (Mr. Woolliams) said, and I quote:

The present situation constitutes a dictatorial act that is dangerous to democracy and will destroy democracy.

The hon. member for Edmonton West (Mr. Lambert)—that great specialist, anxious to ensure that the speaker would not make light of his remarks said, and I quote:

—there has been a deliberate omission of a resolution carried in the committee.

Would you please take note of this, Mr. Speaker.

The hon. member for York South (Mr. Lewis)—I am sorry he is not here at the moment—that great defender of human rights, took upon himself the right to go still further in his accusations of dishonesty against me.

Mr. Speaker, those accusations have been made in this house. A thorough enquiry has just been made in that respect which shows clearly that those accusations were untrue and dishonest.

Did the hon. members who participated in the debate on the question of privilege raised by the hon. member for St. John's East (Mr. McGrath) give any thought, in acting as they did, to the tremendous wrong they could do to me and to the reputation of this house? To say the least, they acted in a shameful and irresponsible way.

Some hon. Members: Hear, hear.

Mr. Blouin: They were perfectly aware, Mr. Speaker, that such dishonest statements would be spread by the whole Canadian press under big headlines.

The unfortunate thing about all this is that the present debate will not be mentioned in the newspapers, let alone come under big headlines. After all, there is nothing shameful or sensational in the present discussions and the reputation of an ordinary member is of little importance to some journalists. So, I ask of those who still have some sense of honour to make good for the wrong they have done to me by using in their newspapers as much space to publish the true facts about this matter.

Some hon. Members: Hear, hear.

Mr. Blouin: Mr. Speaker, an attack on the honour of this house was made for political and party purposes. I am anxious to see what the members who made such accusations will do to make good for the wrong they have done to me.

Let me say again that I am very happy about the evidence collected by the committee on privileges and elections. However, the behaviour of the members involved and the improper reports published by some unscrupulous journalists are a bad omen for the future.

Some hon. Members: Hear, hear.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, my first observation is one of regret that the government house leader was unable to agree yesterday to ask for leave of the house to move concurrence in the third report of the Standing Committee on Privileges and Elections when we could have had a full debate on it at that time. Nevertheless, half a loaf is better than none and we are grateful that those of us who dissent from the third report have at least this opportunity, albeit a small one, to make some references to it.

I am also grateful that this hour has provided the hon. member for Manicougan (Mr. Blouin) with an opportunity to make a statement. I say to him sincerely that I am genuinely happy to see he has recovered, genuinely glad to see he is back in the house and able to defend himself because it was for me one of the regrettable aspects of this whole affair that it had to be conducted in the hon. member's absence, an absence caused by illness. As I say, I am glad the hon. member has now recovered and today is back here able to speak for himself.

• (1:10 p.m.)

I repeat what I said during the course of the hon. member's remarks, when I felt obliged to interrupt him, that I at no time laid a charge against him personally. Anybody who reads my question of privilege which was raised on December 10 and which can be found at page 3735 of *Hansard* will see that I made no personal charge against the hon. member. Perhaps it might be worth while to quote what I said:

> My question of privilege is based on the fact that the resolution adopted by the committee on November 28 was, in my view, deliberately omitted from its report to the house on November 29—

If the hon. member feels that constitutes a charge against him personally, I regret that very much. That was my feeling then, and I felt very strongly about it.

Even today there remains on the order paper a motion for concurrence in the second report of the Standing Committee on Transport and Communications. It still appears under the name of the hon. member for Manicouagan, and no motion for concurrence has been made. I found it strange, as I find it strange now, that during the interim after the report was submitted to the house concurrence was not moved. I do not blame the hon. member for Manicouagan. I think he has been very poorly used in this instance.

An hon. Member: By you.

Mr. McGrath: I think he has been very poorly used in this instance by the house leader and his colleagues. I heard no voice raised in his defence in the house when he was in hospital.

An hon. Member: You were not here.

Mr. McGrath: I heard no one get up and raise a defence for the hon. member, and I think the hon. member was badly used.

An hon. Member: Why don't you read *Hansard*?

Mr. McGrath: I believe now as I believed at the time that my resolution which was passed by the Standing Committee on Transport and Communications on November 28 constituted a part of the committee's second report and was in fact omitted when the report was tabled before the house.

It might be worth while to review the reason I felt obliged to move the motion in the first instance. The committee at the time was conducting, under a reference by the house, an examination into the main estimates of the Canadian Transport Commission. Several members of the committee, including myself, were examining a decision made by that commission, the effects of which was to disestablish or do away entirely with rail passenger service in an entire province, not just on a branch line. Up to that time the Canadian Transport Commission was considering the abandonment of branch lines, and the entire rail transportation system of a province cannot under any circumstances be considered a branch line. I did not move my resolution for any frivolous or mischievous reason.

An hon. Member: Oh, please!

Mr. McGrath: The hon. member who interrupts presents himself to the house as an expert on fisheries and on almost everything else. If he will control himself and listen to my contribution for a few minutes, perhaps

he may understand the argument I am trying to make in a reasonable way.

The resolution was presented after an examination of the estimates and after questions put to the chairman of the commission as to why it felt obliged to make the decision in the first instance to allow Canadian National Railways to abandon rail passenger service in the province of Newfoundland and replace it with a bus service. This decision was made by the commission shortly after the June 25 election; I believe it was brought down on June 27. I leave it to hon. members to suggest the import of that date.

The whole question of the withdrawal by the C.N.R. from passenger service in Newfoundland was a matter of great concern during the election campaign. The maintaining of the service became a policy of our party. Every Conservative candidate who ran in Newfoundland had as the main plank in his platform the maintenance and upgrading of rail passenger service in Newfoundland. Consequently those of us from Newfoundland who sit on this side of the house felt then, as we do now, that we had a mandate from the people of Newfoundland to do everything possible to have this unjust decision set aside.

It was in carrying out this mandate that we availed ourselves of the first opportunity presented to us to object to the withdrawal. This first opportunity was presented during the examination of the estimates of the Canadian Transport Commission. It was with this in mind that we moved the resolution in the committee.

Hon. members will recall that preceding the reference to the committee we availed ourselves of another opportunity presented to us to debate this matter in the house. This took place during our consideration of the annual C.N. financing bill. It was at that time that the government house leader gave the undertaking that we would have an opportunity to discuss this matter in the Standing Committee on Transport and Communications and to question the president of the Canadian Transport Commission. He also undertook to provide an opportunity for us to examine the officials of Canadian National Railways when he referred the annual report of the C.N.R. to that committee.

I point these facts out in order to indicate to the house, and to the hon. member who feels obliged to defend his honour in this regard because, as he has said, he feels charges were made against him in a shameful and irresponsible way, that this is a very serious matter. We feel we are discharging our responsibilities as members of parliament for Newfoundland.

An hon. Member: Irresponsibilities.

Mr. McGrath: We feel we are discharging the solemn undertaking we gave to the people of Newfoundland during the last federal election campaign. There is nothing partisan about this. We are just fulfilling a solemn undertaking which we made, and we are continuing to do so. That is why we examined very exhaustively and intensively the estimates of the commission as well as the president and his officials. We were trying to determine what prompted this decision and why the commission felt obliged to go against the recommendations of the people of Newfoundland.

The government of Newfoundland opposed this decision in a brief presented to the commission. The Newfoundland Liberal members of this house during the last parliament opposed the decision in a brief they presented. The hon. member for Burin-Burgeo (Mr. Jamieson) can substantiate that. Those hon. members presented a brief to the commission in complete opposition to the instant withdrawal of this service. I think their recommendation was that the phase-out, if there was to be a phase-out, of the rail passenger service should take place over a period of at least five years; in other words, operate the bus system in the province concurrently with the rail system for five years and at the end of that time review the whole picture. That was a reasonable request.

• (1:20 p.m.)

I do not know why the Canadian Transport Commission felt obliged to go against popular opinion, to go against the members of parliament from Newfoundland, to go against the Newfoundland legislature, to go against the Newfoundland government, to go against the Newfoundland railway unions, to go against organized labour in Newfoundland. I believe we were entitled to have an answer to this question. It was for this reason particularly that we conducted the examination that took place in the Standing Committee on Transport and Communications which culminated in the moving of the resolution which was adopted by the committee on November 28 and was the substance of my question of privilege to the house on December 10.

I think it is worth reading into the record the third report of the Standing Committee on Privileges and Elections which dealt with

this matter and in respect of which a motion has been moved for concurrence.

Mr. Macdonald (Rosedale): It is in the record.

Mr. McGrath: If the hon. member will bear with me, I will read the parts that I think are relevant to my remarks. I will read the conclusions of the committee:

> Your committee reports that the reason for the omission is that it was never moved and concurred in that the said resolution adopted by the Standing Committee on Transport and Communications be part of its second report.

I dissent from that statement. I said so in the committtee and I do so at this time. Anybody who has read the transcript of the evidence, especially volume No. 6 for November 28, given before the Standing Committee on Transport and Communications, and more particularly anybody who was present at that time, would agree with my contention that the drafting of this report omitted or gave no consideration to the substance of my resolution, to the substance of the debate which preceded it, but instead chose to confine itself to purely technical grounds. I do not accept that part of the report and I shall refer to the evidence to show why. I read from page 107 of the evidence of the committee, volume No. 6, for November 28. I quote my own remarks from that page:

> My motion is that the committee recommend to the house—

This left no doubt as to what I was trying to do.

> —that this particular decision not be implemented until this committee has had a chance to go to the Atlantic provinces.

Preceding that, at the outset of the meeting on that day, November 28, the draft version of the second report was read to the committee. It contained the recommendation to the house which is now before the house and is on today's order paper. It contained the recommendation to the house that the committee be empowered to undertake a study of transportation in the Atlantic provinces.

In asking for this power the committee had in mind requesting the permission of the house or the government—I forget the particular technicality involved—to proceed with a continuation of the aborted trip of the committee last winter. The committee was called back last winter because of a crisis in the house at the time. The committee was going to ask whether the same terms of reference could be applied in order that it could undertake a study of the transportation problems of the Atlantic provinces and in fact go to the Atlantic provinces to examine the transportation difficulties at first hand.

It was with this second report in mind that I moved my resolution at the conclusion of that day's sitting. In the preamble to my resolution I stated what I had in mind. I stated—and this is taken from the evidence as reported at page 107 of the committee's proceedings—that I clearly intended this matter to come before the house in the form of a recommendation to the house because parliament was supreme in regard to it. I clearly intended that the recommendation would be made to the house that this decision not be implemented, that is, that the buses be phased in and the trains phased out, until the committee had had an opportunity in connection with its proposed study of transportation problems in the Atlantic provinces to go to Newfoundland.

Hon. members know, and the house leader knows from his experience, that the conduct of inquiries in committee and the conduct of committees generally is less formal than proceedings in the house. Formal speeches are not made in committee; prepared speeches are not made. It is a sort of dialogue, if you like; it is a give and take. That is why I was perhaps not prudent enough or careful enough—

Mr. Anderson: Hear, hear.

Mr. McGrath: Mr. Speaker, the hon. member for Esquimalt-Saanich (Mr. Anderson) is making his usual unintelligent observation from his seat.

Mr. Anderson: Mr. Speaker, I merely agreed with the hon. member.

Some hon. Members: Oh, oh.

Mr. McGrath: Perhaps I was neither prudent enough nor wise enough at the time to put my motion in written form. I suggest that neither was the hon. member for Manicouagan prudent or wise enough at the time to insist, as is now done in committees, that my motion be put in written form, because if that had happened perhaps this whole matter could have been cleared up. In any event, I did not do that. This is why my motion, which appears at page 108 and which forms the substance of my question of privilege, does not contain the words "recommend to the house".

But clearly the hon. member for Manicouagan must admit, as must any hon. member who was on that committee, that this was the intent of my motion. I did not move my resolution and have it adopted by the committee in order to have it hang in the air or die in limbo, where it now happens to be. I moved my motion to have it brought before the house so that parliament would have the opportunity to decide on this matter, so we would have an opportunity as members of parliament from Newfoundland to carry out our mandate in this house. I did not do it frivolously or mischievously. My resolution unfortunately did not contain the words "recommend to the house", but that was clearly the intent of my motion, that was clearly the import of my motion. I will read the motion as it appears at page 108 of Minutes of Proceedings and Evidence No. 6 of the Standing Committee on Transport and Communications:

That the Canadian Transport Commission be requested to postpone the implementation of its decision to abandon railway service in Newfoundland until such a time as the committee travel to Newfoundland to study the transportation problems of the Atlantic provinces.

Clearly any reasonable man would know what I had in mind. My motion referred directly to the recommendation of the committee, approved by the committee, that the house empower the committee to study the transportation problems of the Atlantic provinces. I submit that anybody who would hide behind technicalities is merely being the handmaiden of the house leader in this regard.

• (1:30 p.m.)

Some hon. Members: Oh, oh.

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a question of privilege. The hon. member has suggested that in some way I was trying to direct the chairman of the committee. He has previously said, and I presume he was sincere, that he was not accusing the chairman of misconduct. Now he says that the hon. member was hiding behind technicalities. I suggest that is unparliamentary and should be withdrawn.

Mr. McGrath: I did not accuse the hon. member for Manicouagan of hiding behind technicalities. I accused the drafters of this report of doing so. It is a natural thing to do if there is a controversial subject involved to stick to the letter of the law and ignore the spirit. That is precisely what they did. I suggest they have lost the meaning of the whole thing, as is evident from the report of the committee. The house leader took exception to what I said when I suggested they were perhaps obliging him in some way by doing this. I will refer to the first time that my suspicions were aroused. I directed a question to him on December 6 which can be found at page 3587 of *Hansard*. I asked the house leader what became of my resolution, why it was not in the second report now before the house. The house leader said in his reply:

I have not studied this; I am advised the resolution was passed but that it was out of order.

Surely that would arouse the suspicions of any reasonable member of the house with regard to a resolution that dealt with a controversial subject, and it would indicate that the government did not want this matter brought before the house.

Some hon. Members: Oh, oh.

Mr. McGrath: There was an interjection at that time also.

An hon. Member: May I ask the hon. member a question?

Mr. McGrath: Mr. Speaker, I have limited time only. The hon. member made his contributions in the committee and perhaps he could speak here before the debate is over. I refer to the hon. member who asked the question. He was a member of the Standing Committee on Privileges and Elections so he will have knowledge of this. The house leader went on to say:

Under the circumstances I take it that it is null and has no effect, but I have not examined the question.

I say to the house leader that we requested he be called as a witness before the Standing Committee on Privileges and Elections. We made our request through the usual channels. We made that request at the first meeting of the committee and we further submitted it to the steering committee at its first meeting. My recollection is that it was agreed to at that time. Yet at the last public meeting of the committee the hon. member for Montmorency (Mr. Laflamme), who was the chairman of the committee, ruled that he saw no reason to call the President of the Privy Council before the committee.

An hon. Member: Rightly so.

Mr. McGrath: I think it is regrettable because it leaves this matter up in the air, and I refer again to the remarks of the house

leader at page 3587 of *Hansard*. What prompted him to say that and on what authority did he say it? Was he suggesting that because I was not a member of the Liberal party but was a member of the opposition I had no right to move a resolution in the committee?

Some hon. Members: Oh, oh.

Mr. McGrath: Is that what he was suggesting? That has been the conduct of the Committees ever since. Any time an opposition member moves a resolution, confusion ensues. They say, "we cannot accept it", or they use tactics that prevent the resolution from coming to a vote. Is that the way the committees are to conduct themselves? We hoped that the house leader would have found an opportunity to appear before the committee.

Mr. Cafik: Mr. Speaker, I rise on a point of order. The hon. member has indicated that every time an opposition member makes a motion in a committee it is never allowed to come to a vote and is never accepted. I submit that this is simply untrue.

Mr. McGrath: My time is limited, Mr. Speaker, and I hope you will take into account the interruption of the hon. member who has risen on a pseudo point of order.

I submit that the house leader knew that this was a controversial matter because questions had been directed in the house on the first day of the present session to his colleague, the Minister of Transport (Mr. Hellyer). He knew that this was a matter of some controversy, and I submit that he manoeuvred to keep the matter from coming before the house.

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a question of privilege. Now the hon. member is imputing motives to me when he says I manoeuvred the matter. I put it to the hon. member, is it not a fact that his colleague, the hon. member for Calgary North (Mr. Woolliams), acknowledged there was no necessity for me to appear before the committee?

Mr. McGrath: My colleague, the hon. member for Calgary North, does not have the authority to speak for me in this regard. He might have been expressing an opinion in the course of his examination but he certainly was not speaking for me.

Mr. Macdonald (Rosedale): Was it not agreed by the committee?

[Mr. McGrath.]

Mr. McGrath: No, it was not. If it was I withdraw agreement, but according to my recollection it was not because the subject came up at the last meeting of the committee.

An hon. Member: You had better read the minutes.

Mr. McGrath: I submit that the matter was of some urgency on November 28 because Canadian National Railways, under the authority of the Canadian Transport Commission, was to start implementing the decision to phase out the trains on December 6. The phasing in of the buses and the phasing out of the trains is now under way. My motion was urgent then but it is more urgent now. The Standing Committee on Transport and Communications is going to the Atlantic provinces on Sunday and will be visiting Newfoundland. Under its terms of reference it will be examining the transportation problems of the Atlantic provinces. Would it not have been better if this house had directed it to examine the decision of the C.N.R. and the authority given to it by the Canadian Transport Commission allowing it to phase out the passenger service?

We have heard a lot about delegated authority, but here there is to my mind a flagrant abuse of parliament. Are we to hand over the entire public transportation system and its future to the Canadian Transport Commission without allowing parliament a chance to voice its opinions thereon? Is that the way this country is to be governed? I submit to the house that public transportation built this country to what it is today, and it is still important. As a consequence, it is a matter of great concern to this house but not to a body of bureaucrats with delegated authority such as the Canadian Transport Commission.

An hon. Member: Another insult.

Mr. McGrath: If hon. members knew, as does the hon. member for Burin-Burgeo (Mr. Jamieson), how strongly the people of Newfoundland feel about this matter, if they knew how strongly the labour movement in Newfoundland feels about it, they would realize how important the rail passenger service is to the people of Newfoundland. I put it to hon. members that 57 per cent of the electorate voted against the Liberal party on June 25, and I suggest that this is one of the reasons. I point out to hon. members the experience with the buses travelling in Newfoundland this winter and the difficulties they have encountered in what has been a relatively mild winter. If hon. members knew this, they

would realize the importance of the rail passenger service to Newfoundlanders. How can you move a sick person from east to west on a C.N. bus without the proper facilities over a distance of 600 miles and sometimes taking as much as 20 hours? These are the real problems that our people are worried about.

We do not want to keep our trains, however colourful they may be, for sentimental reasons. We want to hang on to our trains until such time as the system of transportation in Newfoundland is improved to the point where we can do without them. We have not arrived at that point today. All we have in Newfoundland to replace our rail service is an inadequate trans-Canada highway which was hastily built to fulfil a political promise in 1965 and today is below the standards of the trans-Canada highway in other parts of Canada. As a consequence it constitutes one of the most dangerous highways in the whole Dominion of Canada. Yet the trains have been removed and Newfoundlanders are to become totally dependent on a bus service. What would the hon. member for Esquimalt-Saanich do if a decision were made to abolish the railways in his province?

• (1:40 p.m.)

Mr. Anderson: A direct question has been asked. Would the hon. member allow me to reply to it.

Mr. Deputy Speaker: The hon. member for St. John's East has the floor.

Mr. McGrath: What would other hon. members do in such circumstances? What would the hon. member for Burin-Burgeo do if the C.N.R. were to decide to do away with the coastal service in his constituency?

Mr. Cafik: On a point of order, Mr. Speaker, I should like to know as a matter of information whether there is any limit to the amount of such talk that we have to endure and, second, whether the hon. member is really speaking to the motion before the house. We are not debating the problems of Newfoundland and its railway system.

Mr. Deputy Speaker: There are still a few minutes left to the hon. member for St. John's East.

Mr. McGrath: It would appear to me that hon. members opposite have now lost whatever regard they had for Newfoundland. That is understandable, bearing in mind what happened on June 25. I can understand why the hon. member does not want to hear this. But I can tell him that it is of great concern to his friend the Minister of Defence Production. It should be of great concern to everyone because the buses are not working. Having seen the buses in operation over the past two months we feel more strongly than ever that this decision should not be implemented. Parliament should live up to its responsibilities to the people of Newfoundland and see to it that our people continue to enjoy their rail transportation system as long as the total system of public transportation in Newfoundland remains inadequate as it is today.

Ontario has a bus system and a railway system. Quebec has the same. Every other province can have a bus system and a railway system. Why set this precedent in Newfoundland? Does the president of the Canadian Transport Commision want to do away with the railways in British Columbia? He is obviously a very powerful man. Does he want to do away with the railway system on Prince Edward Island? It was with such fears in mind that we felt obliged to conduct a debate on this question, to carry out an investigation in the transport committee and to move the resolution which was moved on November 28. We felt strongly about it then and we feel even more strongly about it now in the light of our experience of the operation of Canadian National buses in Newfoundland in the past two months.

In view of the importance of the subject matter, in view of the outcome of the debate which took place in the committee, and in the light of the background I have tried to outline, I find I cannot support the third report of the Standing Committee on Privileges and Elections. I cannot support the conclusions reached in the report. If I were to do so I would be supporting the thesis that from now on every time a resolution is adopted by a committee there has to be a further resolution calling for the original resolution to be presented to the house. To me, this does not make sense. When a committee adopts a resolution it is obviously instructing the officers of the committee to incorporate it in the committee report and to place it before the house without any further specific instruction. This, it seems to me, would be the logical course to follow. I do not know why the government should be worrying about it now. We have begun to operate under the new rules and this being the case the government will never again be defeated in committee. From now on they are in a position to slip new members on

to these committees without submitting a motion for the formal approval of the house.

An hon. Member: So can you.

Mr. McGrath: But whom does this advantage? It is really to the advantage of the government. They were defeated in committee on November 28, notwithstanding their majority on the committee and in the house. But it will never happen again. In future, when a committee meets without a majority of government members present the whip will merely note the absentees, go to the clerk's office, have the names of the absentees removed from the list of committee members, and replace them by hon. members who are able to be present. So everyone on the other side of the house will be happy. What a farce the committee system of this house has become! If they continue in this way committees will become merely rubber-stamps for the government party.

Mr. Deachman: You agreed with it.

Mr. McGrath: Important as my resolution is to the people of Newfoundland, there is a principle at stake here involving the way in which committees of the house are to conduct themselves during the remaining years of this parliament. This is a matter of real concern. I submit that my resolution is of historic significance in this regard because that was the last time a member of the opposition will ever get a resolution through in committee.

Before I conclude, Mr. Speaker, I repeat what I said to the hon. member for Manicouagan. I believe he was poorly used in this affair. I levelled no charge against him personally; I was sorry he was absent from the house due to illness when this matter was under discussion. As to his friend, the hon. member for Montmorency (Mr. Laflamme), the chairman of the Standing Committee on Privileges and Elections, I compliment him on the way in which he conducted himself in the committee. I compliment him on the way in which he conducted the committee, although I disagree with his report. If we had more committee chairmen like him there might be some hope for the committee system even under the new rules.

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, like the hon. member who has just resumed his seat, I sat on the committee on privileges and elections and I attended three or four sittings devoted to the study of the matter raised by the hon. member for St. John's East (Mr. McGrath).

It is obvious that today the hon. member has not impressed the members of this house any more than he impressed the members of the committee on privileges and elections.

I should like to point out, Mr. Speaker, that the committee on privileges and elections sat at the request of the hon. member and that its terms of reference, which he had himself suggested and which were approved by the house on December 10 last, were clear and precise.

The question was simply and solely to determine the reason, valid or not, why a certain resolution which had been passed by the committee on transport, on November 28 last, had not been included in the second report which was adopted at the beginning of the sitting and which was tabled in the house the next day, that is on November 29.

Now, the terms of reference of the committee on privileges and elections required that it merely determine whether the normal, regular, legal procedure had been followed in that instance.

• (1:50 p.m.)

Now, as well in the committee as in this house, the arguments of the member were completely off-base. The committee of privileges and elections was not supposed to discuss or deny the importance or urgency of the matter brought up in the resolution of the member at the end of the sitting of the committee on transports; nor was it supposed to interpret the intention or the professed intention of the hon. member who presented the resolution. In any event, the member is no rookie; he has been sitting here for several years and he should be expected to know the rules.

Now, the committee on privileges and elections sat and heard the chairman and the secretary of the committee, as well as the law clerk and parliamentary counsel of the House of Commons, Mr. Ollivier. After having heard those witnesses, the committee readily came to a conclusion, which was obvious to almost all the members of the committee, except two, that there was no question of privilege, and that said resolution had been omitted in the report merely because to include it, it would have been necessary to make a proposal to that effect, and this was not done. The committee, after having heard the witnesses, reached that obvious conclusion.

In this particular instance, the regular, normal and legal procedure based on an immemorial practice was followed, and our friends across the way can only blame themselves if they do not know the procedure, or did not know what they were supposed to do in the committee. Surely it was not the responsibility of the chairman to tell them what they had to do. But what is even more amazing is that subsequently they did not even bother to ask the chairman or some other person about what was to be done. All they did was to blame the chairman of the committee, who had only done his duty in presiding the committee meeting.

On December 10, charges and innuendoes were made against the integrity and efficiency of the chairman by the use of terms—and I refer the hon. member to the official record in *Hansard*—such as "deliberate omission", "reprehensible conduct", "hanky-panky", etc. Now, as the hon. member has not brought forward any evidence to support his charges, I believe he should resign, according to the practice in this house, or at least withdraw his words, instead of merely congratulating the hon. member—who was really ill—on his recovery. In fact, I think he should set an example for other members who, on that occasion, went a bit too far and were too hasty in their assertions, without knowing the main issue.

Mr. Speaker, we have before us a motion for concurrence of the committee's report, a matter that involved no difficulty whatever and as the report is short, logical and precise, it should receive the approval of this house.

The hon. member did not deal with procedure in his argument, but he availed himself of that opportunity to talk about the importance attached to that question by the Newfoundland people. Obviously, the chairman of the committee, the hon. member for Montmorency (Mr. Laflamme), has ably presided over the meetings of the committee and brought the discussion into its true perspective, according to the terms of reference proposed, for if we had gone off on that side-issue, we could easily have replied to the hon. member that if the question was of such interest to him, nothing prevented him, as well as the other members of his group, to appeal from the decision of the Canadian Transport Commission.

Or, if they were interested that much, why did they not refer again the question to the committee on transport which had hearings on the following days? However, I do not intend to discuss this matter further since the report of the committee did not deal with that point. But if we had engaged in such discussions, we could have given some very easy answers.

Speaking of the report, the hon. member hinted at some undue pressure. Now, the chairman and the secretary of the committee gave clear evidence before the committee that they had never met anybody, that the report had been tabled, according to the rule, on the chairman's desk, that they had not been subject to any pressure on the part of the President of the Privy Council (Mr. Macdonald)—whom moreover they have never met about that subject—nor on the part of anybody else, and that the proceedings had been carried on as usual, as they have been carried on for several years, in any committee.

A while ago the hon. member also talked about the President of the Privy Council. Indeed, there was some talk that he should appear before the committee, as suggested earlier, but that request had been withdrawn by the honourable member for Calgary North (Mr. Woolliams) who admitted, after Mr. Ollivier told him that it was he who had informed the President of the Privy Council, that he doubted that the resolution was in order.

When the President of the Privy Council made a speech on December 6 and 10, he made quite clear that he had not looped into the matter, but that he had been informed of the irregularity and of the illegality of this resolution, and it was indeed.

The President of the Privy Council did not testify; not because he had something to hide, but only because all the members of the committee had agreed, at a certain time, that, following the evidence of Mr. Ollivier, it was useless to hear the President of sthe Privy Council. And even then, it would have been outside the scope of the terms of reference, because those events happened long after the question of privilege mentioned by the honourable member had been raised.

Well, Mr. Speaker, I think the problem was very simple. The committee on privileges and elections had to decide whether the regular and normal procedure had been observed. Following the evidence given, all the members of the committee except two ruled that there was no question of privilege, that the regular procedure had been observed, that the president of the committee had performed his duty, and that, consequently, he was in no way to blame in all this. I hope that the

honourable members who attacked him will withdraw their remarks.

Mr. Speaker, it is a very simple question that was discussed in committee, and I suggest that the motion for concurrence of the report of the committee should be agreed to by the house.

[*English*]

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I would have thought that members on the government side of the house would be considerate enough to give members of every party in the house an opportunity to speak. It has been very apparent that they want to take up the time of the house to tell their version of what happened. It is only fair that the opposition should have equal time.

Some hon. Members: Oh, oh!

Mr. MacGuigan: There will be another day.

Mr. Skoberg: It is apparent from the noise on the opposite side of the house that some hon. members are not aware of the facts. It appears that the hon. member for Manicouagan (Mr. Blouin), the former chairman of the committee on transport and communications, took an unfair advantage. I was particularly surprised at his attitude to this issue. The hon. member referred to a statement made by one of my colleagues, the hon. member for York South (Mr. Lewis), who had pointed out that if there was nothing wrong in what had been done the government members of the committee on privileges and elections would be able to show that that was so and the matter could be cleared up. If there is nothing to hide, why would any member be concerned whether or not the motion was passed at the time?

I am very surprised that the hon. member has taken issue with statements that appear in *Hansard* for that particular day. In all fairness I think we should look a little further at the transcript of evidence that is before us. The chairman of the committee was not present when a statement was made about the intent of the motion that had been moved by the hon. member for St. John's East (Mr. McGrath). As reported on page 107 of the committee report the hon. member for St. John's East said:

> My motion is that the decision of the C.T.C. allowing C.N. to abandon rail passenger service in Newfoundland—

The Acting Speaker (Mr. Béchard): Order. It being two o'clock, pursuant to special order made earlier this day the proceedings now before the house must be interrupted. The house will now resume the business which was interrupted at one p.m.

[Mr. Forest.]

DOMINION-PROVINCIAL CONFERENCE

HOUSE DEBATE PROVIDED THROUGH PRE-ARRANGED MOTION TO ADJOURN

The house resumed consideration of the motion of Mr. Trudeau that this house do now adjourn.

The Acting Speaker (Mr. Béchard): The hon. member for York South.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a question of privilege, in view of the fact that many members may think that the bells will ring at two o'clock as usual following lunch hour, and in view of the fact that the Prime Minister is not here and also other hon. members, I wonder whether we could have the bells rung for a few minutes to remind hon. members that the house is in session?

The Acting Speaker (Mr. Béchard): I think hon. members are agreed to this.

And the house bells having been duly rung:

• (2:00 p.m.)

Mr. David Lewis (York South): Mr. Speaker, I am sorry the Prime Minister has not been able to return to the chamber yet.

Mr. Knowles (Winnipeg North Centre): He said he would be here.

Mr. Lewis: I was going to say this morning, and I unhesitatingly say this afternoon, that it is a pleasure to congratulate the Prime Minister on the way in which he handled the constitutional conference, as its chairman. I extend these congratulations without reservation despite his inappropriately partisan performance this morning. If the Prime Minister wanted to show his backbenchers he is capable of political partisanship he should have left that for another occasion and another subject. He could not have chosen a more inappropriate subject on which to show his excellence in that field of endeavour. In view of the comment he made to me I say to him—and he promised to read my comments if he was not here to listen to them—that I received a lecture from him about the constitution and a lesson in demagoguery which many of us will not be able to excel.

Nor will that performance of the Prime Minister change my intention, supported by my colleagues in caucus this morning when we discussed this issue, to express my party's general position and hopes on some of the more important aspects before us under the heading of constitutional revision. Obviously I cannot cover them all. Let me say this, however, in replying to the Prime Minister. He challenged opposition parties to give answers to questions. I see the Prime Minister has just entered the chamber. Probably he had as hasty a lunch as I had, and I can understand his being a few minutes late. He challenged the opposition to give answers to questions. I say, Mr. Speaker, that the government of Canada, which includes the Prime Minister and other ministers, has refused until now to give answers about the most important constitutional problem before this country. If the Prime Minister points to the paper which was tabled just before the conference, let me say this. That paper dealt with the structures of government and with some important structural problems; it dealt with bilingualism, which is important, and with the entrenchment of human rights, which is also important. But it did not deal with what the Prime Minister himself said was the most pressing problem, namely, the division of power, the extent of the federal spending power, and the like. I say it does not lie well in his mouth to taunt members of the opposition and say they ought to give answers to these problems when, so far as the public is concerned and so far as the members of this parliament are concerned, we have not heard even the suggestion of an answer from him.

At the conference which concluded on Wednesday and which I observed with interest throughout he did not suggest any answer to the problem of spending powers. He simply said to the provincial representatives, "You tell us what they should be and how you want them reduced, increased, confined or limited." At no point did he give an answer.

Mr. Trudeau: Would the hon. member permit a question? Does he not remember that it was three of the provinces which during the last month themselves demanded that the subject be put on the agenda although it had not been dealt with by the continuing committee of officials and therefore was not expected to be a subject of discussion between the governments?

Mr. Lewis: Mr. Speaker, I agree. I agree on both parts of the right hon. gentleman's question. I agree with the implication of his question that he did not understand the problem enough to put it on the agenda, and he had to be asked by the provincial premiers to do so. I agree that because it was put on at the last minute no one expected it to be discussed. I say the partisan job he did this morning was not only unbecoming of him but thoroughly unfair. It was unfair of him to ask members of the opposition to provide blueprints for the constitution in a one-day debate when, with the assistance of a continuing committee and a large staff which has increased by more than 100 per cent, he has not yet found it possible to answer these important questions himself.

Some hon. Members: Hear, hear.

Mr. Lewis: I also say, in reply to the Prime Minister's unbecoming taunt, that these matters would have been discussed in depth had he and his predecessor agreed to the appointment of a parliamentary committee for which members of the opposition have asked for four or five years. No one speaking for 20, 30 or 40 minutes in any debate can make satisfactory suggestions as to what the constitution should be like. No one has sufficient knowledge at his fingertips to assist the Prime Minister in the way he suggests we ought to assist him.

Mr. Stanfield: He would not listen, anyway.

Mr. Lewis: If a committee had been established and had met in the course of the last two or three years many of these subjects would have been discussed in depth and many suggestions would have come from both sides of the house. I am glad the Prime Minister has now agreed to the establishment of such a parliamentary committee. I express the hope the Leader of the Opposition expressed, that the terms of reference will not be restricted only to those subjects on which the continuing committee has already reported, as the Prime Minister suggested the other day would happen. If that is the case, again we will not have the opportunity to discuss partition of powers, the extent of federal spending power and all the other basic social and economic questions about which the constitution must be concerned. That is where the kind of discussion the Prime Minister rightly wants could have taken place earlier and will take place if the reference to the committee is not too restrictive.

Dominion-Provincial Conference

• (2:10 p.m.)

The reason I suggested that the Prime Minister should consider discussing with provincial premiers the establishment of similar committees in the provincial legislatures is that you obviously cannot involve all the people of Canada in detailed discussions of the constitution. However, you should involve their elected representatives in the various levels of government in order that they may present their ideas and exchange views as to what our country should be now and in the future. It is obvious that if it is left to governments only to discuss these matters, the federal government and the ten provincial governments, which are in the seats of power, will hesitate to change the constitution. They will not readily agree to reduce their power. Members of parliament and members of provincial legislatures have not had the unavoidably corrupting influence of the actual exercise of powers. They should participate in the discussion so that the purposes for which the power is to be used will be properly decided.

I suggest that the Prime Minister, I am sure with the best intentions, somewhat exaggerated the contents of the conference which concluded Wednesday. I hasten to add it was a very useful conference. The major achievement of the conference was twofold. First, on the question of language rights, ground which has been lost since February, 1968, was regained. At least, it was regained to a useful extent. More important, as both the Prime Minister and Leader of the Opposition (Mr. Stanfield) correctly underline, is the fact that the conference ended in a mood of determination to continue this work at an accelerated pace. This alone made the three-day conference extremely important and valuable to the future of our country.

It is an exaggeration to say that the consensus which the right hon. Prime Minister tabled this morning contained any real agreement among the governments on any of the issues covered in that consensus. The fact is the consensus consists of decisions to refer every single matter to a committee, either a continuing committee, a committee of ministers or a subcommittee. When more concrete resolutions were brought forward which the officials wanted the conference to accept in principle, such as the desirability of entrenchment against the infringement of human rights, these resolutions were objected to and watered down.

I do not say this in criticism of the Prime Minister or of any of the provincial premiers.

[Mr. Lewis.]

In view of the loss in co-operative climate since February, 1968, it would have been unrealistic to expect firm agreement, even in principle, on matters of great concern to everyone at the conference. I emphasize the fact that on the real problems in depth discussion and confrontation have not yet taken place. They are in the future. The difficulties are by no means behind us. They are ahead of us. I am sure the Prime Minister will readily agree that is the case.

I am not discouraged by the fact that Canada has problems and conflicts. History shows any country without problems is probably dead, and one without conflict is probably dying. Progress is made from the solution of problems and conflicts which continually present themselves in society. I do not expect that at any stage of human development a plateau will be reached where there will be no problems and no conflicts. That is inconceivable.

Every member of this house, I am sure, wants this country to resolve our present problems and conflicts so that we may reach a higher plateau for the endeavour of our people. A total review of the constitution is essential in order to meet our needs today and in the future. We reject the notion of a piece-meal patch-up here and there, which would not take into account the development of a modernized industrialized society. The development of our society is becoming increasingly urbanized, and new problems arise for the overwhelming majority of our population, even those who are wealthy, and particularly for the poor and near-poor.

Our position, Mr. Speaker, is unequivocal. After some years of study and discussion there should be a new constitution which would strengthen and not weaken the capacities and powers of the Canadian government and parliament to care for all the people of Canada. It must strengthen and not weaken the federal government and the federal parliament to enable them to establish minimum and equal standards across Canada in income, public services, educational opportunities, health and welfare, decent housing, clean air, and unpolluted water for Canadians in every part of this country regardless of their background and origin.

I have stated this national objective in uninspiring and simple words. This national objective will not be achieved by reducing the federal spending power. The attitude of the Prime Minister regarding the Canadian

constitutional position has been a concern of mine for some years. I say this in order to exchange views, Mr. Speaker. He invited hon. members to tell him how that spending power should be limited. We are worried that the policy and intention of this government may be to compartmentalize the powers in the present constitution and to carry over the compartmentalization of those powers into the new constitution, thereby reducing the capacity of the federal government to be a strong central government in the meaningful sense of that term, reducing the capacity of the federal government and parliament to use their spending power in order to assist the people in every region of Canada to achieve minimum national standards in all the areas I have mentioned and many others I have failed to mention.

• (2:20 p.m.)

In this context one cannot avoid being distressed at the rather flippant and callous attitude of the federal government in saying to the provinces, "If you want money, go ahead and tax yourself." There are at least four and probably five provinces in this country that cannot tax their people any more, and could not get any more out of increased taxes because they do not have the base on which to tax. You cannot get taxes out of people with an average income of just about 50 per cent of the average per capita income across Canada, or very close to 50 per cent, which is the case in all the Atlantic provinces.

Premier Smallwood, in one of his delightful interventions at the conference, pointed out that he already taxes the people of his province in certain areas—sale taxes, gasoline taxes, and one other which for the moment I cannot recall—at a rate higher than the rate in the richest province of Canada, Ontario. So to say to at least half of our provinces, "Go ahead and tax yourself," is really to utter unattractive nonsense. Surely it cannot arouse the enthusiasm of the people in those provinces about a federation, a kind of federalism that tells them to do what they cannot possibly do and therefore condemns them to a standard of living, to a standard of services, a standard of opportunity and a condition of life that must fall below that of the average in Canada.

I am not suggesting that the Prime Minister and his government intend that. I am not suggesting that for one moment. I am aware of their intentions in the realm of regional planning and regional development. We probably may disagree with the particular plan they have in mind. It would be unfair if I did not recognize that they had that in mind, but that does not negate the harm done to the unity of the country by the flippant and callous remark, "Go ahead and tax yourselves."

In the same context and the same way I do not think it helps the future of this country and the strength of confederation for the federal government to insist that the Medical Care Act contains a provision which limits it to five years, and to indicate to every province and, indeed, to the people of the country that when it suits the federal government's purposes it will withdraw from present joint programs.

Mr. Trudeau: You voted for that act.

Mr. Lewis: Of course I voted for it. Mr. Speaker, I have voted in the years I have been in parliament and my colleagues who have been here longer have voted many times for many unsatisfactory pieces of legislation produced by the right hon. gentleman and his predecessors because we were determined to get at least a little if we could not get all that was necessary. So of course we voted for it, and we would vote for it again if it were presented to us because we believe in the necessity of medicare across Canada, and even with that limitation it was better to have the statute than not to have it.

I think the provincial governments are not wrong when they plead with the federal government that its unilateral withdrawal from present joint programs should be abandoned, and that the federal government should carry on the work it has done in those spheres in which it has so far participated.

Having said that we believe in a stronger federal government and parliament, I hasten to add that we are fully aware, my colleagues and I, that the size of our country, and the diversity of its people also make necessary stronger provincial governments, and that it is impossible to run this country, whether it is a medicare plan, a housing plan or anything else that is involved, all from Ottawa. We believe that it is necessary to decentralize the choice of policies in many instances, and certainly to decentralize the administration and the carrying out of policies through the provinces and indeed through the municipal governments within the provinces. It was because of our realization that a modern society requires a strong central government, and that a country like ours also requires strong provincial governments, that we developed

the attitude toward our constitution and constitutional arrangements which called for a flexibility in the constitution and in the constitutional arrangements. Our policies called for a readiness on the part of Ottawa and on the part of the provincial governments to enter into different arrangements and different agreements with Quebec, in particular, if this is necessary in order to make progress and, indeed, with other provinces if the situation makes that kind of solution desirable.

I want to say, Mr. Speaker, that we do not withdraw from that position. I realize that some members of my party, in the last election and at other times, have expressed themselves in terms that go beyond those I have just stated. We have differences of opinion in our party, as the Prime Minister has in his and as the Leader of the Opposition has in his, and it is as true for a party as for a country that a party that has no differences of opinion is dead and that if it has no internal conflict it is dying. But we do not retreat as a party from the position we have put to the Canadian people, the position that if you insist that in every case every province must be treated in exactly the same way the result may well be immobility for Canada. The result may well be in certain instances an impossibility for the country to go forward.

If you have nine provinces willing to enter into a joint plan with Ottawa and one province which for good reasons does not wish to do so, we say that in that situation it would be to immobilize Canada to refuse to make the kind of flexible arrangement which that situation would require. I remind the house that this is what we did with the Canada Pension Plan. We have a Canada Pension Plan and we have a Quebec pension plan. Every Canadian is covered by a pension plan and no one in Canada is hurt. Unless we had been prepared to make that kind of arrangement no Canadian would have been covered by a pension plan, which certainly would have been a thoroughly undesirable result.

I want to go to another point which has been mentioned neither in the paper which the federal government tabled nor in any of the remarks of the premiers at the conference that ended last Wednesday. Without entering into an ideological controversy, I think it is recognized that in a modern society it is impossible to run things without a great deal of just, viable and conscientious planning by all levels of government. It is impossible to run Canada if only the federal government plans its affairs, and if every provincial government plans its affairs without relationship to the plans of the other levels of government.

I suggest that one of the urgent needs in the new constitution is for us to establish, right in the document, consultative and planning machinery that would take in all 11 governments in Canada. I suggest to you, Mr. Speaker, it is impossible for the Minister of Finance (Mr. Benson) to carry through a meaningful fiscal policy in this country when half of the revenues are collected and half of the total expenditures are made by the provincial governments and the municipal governments across Canada. It is impossible for the governor of the Bank of Canada to have a useful monetary policy with the support of the Minister of Finance (Mr. Benson) if every level of government, without relationship one to the other, is able to go to the market as it pleases, when it pleases and without knowing what the total effect on the monetary policy is or may be at any given time.

• (2:30 p.m.)

I think the next step forward as a federation interested in serving our people is a constitutional provision for permanent machinery for consultation and planning in respect of the economy and services to our country. On occasion, agreement will not be reached and I appreciate that. The constitution will have to make provision for the results of possible disagreements, but very often—I hope most often—agreement would be reached and every section of Canada would therefore fit into a national plan, with national purposes and national objectives.

Our party is determined that Canada should be a nation which speaks to the world in two official languages but with only one voice. We support the position that the constitution must guarantee this indespensable character of the country in the community of nations. But to say that, I suggest, is not enough. Our new constitution will also have to provide a viable solution to the real problem in respect of the part which provincial governments may play in areas of international concern which fall within their provincial jurisdictions. It is not enough merely to insist that Canada must have a voice somewhere.

If the organization deals with matters concerning labour, as the I.L.O. does, or matters concerning education, urban renewal, housing and the like—matters which are either exclusively at the moment, and may continue to

be, within provincial jurisdiction, or concurrently within federal-provincial jurisdiction—then, we must find ways of having the provinces directly represented at conferences where these subjects are discussed. They must participate in the decisions and go back home to implement the conclusions of such conferences within the spheres of their jurisdictions.

Therefore, I say there are two parts to the solution of the problem of international affairs, whatever the precise details may be. One is to define the establishment of Canada as one nation in a community of nations, and the other is to find a useful part for the provinces to play in international exchanges which concern matters within their jurisdictions—

Mr. Peters: And within the Canadian framework.

Mr. Lewis: And within the Canadian framework.

I want to say that as far as reform of the Senate is concerned, we are still of the opinion that there should only be an elected parliament in this country and that no part of it should be appointed. When the Prime Minister (Mr. Trudeau) and the government white paper urge that members of the Senate should be appointed by the provinces as well as by the federal government, and thus make the Senate more representative of the provinces, I am left rather unimpressed. What this proposal will mean is that Senators, instead of being appointed by one government and, therefore, if they feel any responsibility at all to a government will feel that responsibility to one, they will be appointed by 11 governments. There will be little claques of senators, each claque representing a particular government and a particular point of view. There is no sense in that.

Mr. Knowles (Winnipeg North Centre): And none of them responsible to the people.

Mr. Lewis: There will be none of them responsible to the people, and we see no sense in that. We still feel that the Senate ought not to be part of our parliamentary system. If there is going to be one, and I am not qualifying my personal position that there is no need for the Senate in Canada, then we ought to find some way of electing its members so they will be responsible to the people rather than merely to the governments that appointed them.

Mr. Trudeau: May I ask the hon. member a question? Does he realize that this proposition of the federal government, which he says has no sense, was supported by all ten provincial governments?

Mr. Lewis: I realize that, Mr. Speaker, and I would have been surprised had they not supported it because the proposal gives them a chance to make a few more appointments, and every government likes that. It may well be that, as a result of an agreement between the federal government and the governments of the ten provinces, some such amendment to the constitution should be made. I do not think such an amendment would destroy our country, but let me say this: If that is done it will be, in my opinion, and I am using strong language knowing the meaning of the word, a betrayal of democracy. If the Senate is given even more powers than it now has, as is also suggested in the white paper, this is what will happen.

I do not think I need to say very much more. Many members of my party have made similar statements and I made my position quite clear at the time the resolution which preceded the official languages bill was introduced. I said that we favour this piece of legislation. However, there are two points I should like to make which have arisen since the introduction of that resolution and the bill. The first and most important is that there is a great need for explanation and clarification across Canada as to the meaning, the import and the implications of the introduction of the official languages act within the federal sphere. There is need not only for explanation and clarification but also for assurance that no one now in the federal service who has given many years of service to Canada will suffer as a result of the introduction of this act.

Again, the situation has not been helped by the hasty action which has been taken in certain spheres in Ottawa. As the result of the introduction of bilingualism into the civil service, some people were victimized. I think the introduction of bilingualism in Canada must be made without arousing new prejudices, without increasing the differences that exist, and without calling forth further resentment. It is extremely important, and I am sure members of the government will agree, that this ought to be done without loss of time. We must clarify what the act is intended to do, its implications, and cease any more actions by any agency of government which makes

the lack of one of the official languages a disadvantage to senior civil servants.

Again, I do not think I need to spend more than a few seconds in reiterating our support of the notion of a charter of human rights and our support of the entrenchment of such a charter in the constitution of Canada. We can see no harm in it, and I can see no logic in most of the articles I have read and the speeches I have heard against it. Many members of my profession, when I am not in parliament, oppose the idea of entrenchment and are tied to the old-fashioned notion of the supremacy of parliament. They contend it must not be interfered with, and I disagree with them. I agree with the Prime Minister, the Minister of Justice (Mr. Turner) and all my colleagues, particularly the hon. member for Greenwood (Mr. Brewin) who has spoken and written about this a great deal, that there are basic human rights which no legislature ought to be able to touch. I agree that such rights should be entrenched in the constitution of our country so that they cannot be abridged either by the federal parliament or a provincial legislature.

• (2:40 p.m.)

I have tried in my remarks, as the first speaker for my colleagues and my party, to deal with some of the basic problems that face us. I repeat what I said, that the problem of the division of power and the use of federal spending power has hardly been touched by the conference. It has, if I remember correctly, not yet been touched by the continuing committee. Therefore, the really vexing conflicts in this country still remain to be confronted, let alone solved. But I have great confidence that we will in the end succeed. We will succeed, particularly, if we set for ourselves some common national goals and objectives, if we become more concerned about what a particular power will be used for and less concerned about who will wield it.

Anyone who knows Canada cannot doubt its potential greatness. I detest nationalism when it is chauvinistic, narrow, bigoted and believes in its superiority over others. But I believe in a nationalism which seeks greatness based on respect of others as well as respect of self. In one sense the nation state is to the world community what the family unit is to the nation. In that sense, I am proud to be a member of this country and a Canadian nationalist who resents control exercised over our destiny by multi-national corporations abroad.

Some hon. Members: Hear, hear.

Mr. Lewis: One of the constitutional objectives ought to be to regain control of our economy and our economic destiny in this country. In this sense, also, all of us want to see Canada achieve its full potential of great social and cultural work and play a part in the painful and anxious search for world peace and equality of conditions among all nations. Therefore, it is our belief that we cannot escape the need for a total review and revision of the fundamentals of our constitution. We cannot escape a stronger central government in Canada playing its full role in the attempts to solve the new urban problems which affect the quality of life of most Canadians.

No doubt it will take time, but if we succeed in finding such national objectives as I have indicated, national objectives of value and of meaning to all our people, the time and effort will not only preserve Canada as one federal nation but will strengthen and heighten its human achievements at home and its place in the world. I humbly say, Mr. Speaker, that I know of no task which more justly demands our dedicated attention.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, it is rather difficult, as was mentioned by the previous speaker, to analyze and bring about conclusions on the discussions which took place during the federal-provincial conference.

We should like to make some constructive suggestions but in the few minutes available to us, it is rather difficult to attempt to rectify a situation or a constitution which we all wish to see modified, and to make all the necessary suggestions.

At this time when everyone wants to amend the constitution—this situation has prevailed now for a few years—within the provincial and federal governments, unfortunately bombs are exploding in Montreal, Ottawa and Toronto.

This leads us to ask ourselves whether Canada would not, unfortunately, be late in its desire to amend the constitution and bring about solutions to the problems facing our young people, our provincial governments, our municipalities and our school boards? At the present time, are our public bodies patient enough to wait for solutions to problems which date back many years and which

unfortunately we have been too slow to rectify?

I should like to make a side comment concerning a study on taxation and the problem around which the attention was particularly centered during the federal-provincial conference. After three days of conference on the theme of the new constitution for Canada, the financial and fiscal issue was the main topic in the newspapers and on television and radio. In spite of the importance of the taxation question, what strikes us most is the total omission, concerted so to say, of the Carter report, which included the conclusions of the recent royal commission of inquiry on taxation.

Public opinion had to let that Commission's report fall into oblivion even at the federal-provincial conference, where the taxation issue enjoyed all the publicity it could get. In fact, that question calls for the attention of all public administrators who are all fighting against a lack of funds.

The six volumes of the Carter commission's report contain 2,600 pages of closely printed text. The cost of such an inquiry was estimated at $3 million and was paid through public funds; this represents about $1,385 for each page of the report.

Why must we, two years after the submission of that commission's report, bring all that question up again in another form, namely the sharing of powers between the different governments as to taxation and taxes, while not even one of the commission's recommendations has been implemented up to now by the federal government.

That federal-provincial conference received much publicity before it began and had thus raised great expectations about an early solution. The conference is over, and unfortunately, the Canadian people wonder what problem it may actually have solved.

After the conference, an honourable senator who sat with me in this house for many years wondered what benefit this conference might have brought forth. It is illusory, he said, to suggest that this conference, or any other for that matter, did solve the problem of the constitution.

Hon. John Turner (Minister of Justice): What senator?

Mr. Rondeau: The Speaker of the Senate.

I asked him then if he believed that this conference had brought about any good results. "Yes", he answered me, "it will have given Canadians, thanks to television, an opportunity to see what happened at the conference and to become aware of the problems we knew existed before those meetings were held."

The TV coverage of the meetings of the conference enabled all Canadians to become aware of our constitutional problems. In this regard, an honourable member asked the Prime Minister (Mr. Trudeau) yesterday whether he intended shortly to televise the debates of this house, because that would enable all Canadians to see what is going on in the House of Commons. Unfortunately, those who have been in the house for several years agree with a senator that nothing much was accomplished at federal-provincial conferences, apart from acquainted the public with problems that administrators already know about.

We all knew and we still know that our problems are ever increasing and becoming more and more serious. In the meantime, the bad feeling subsists and the Canadian people rightly ask themselves the following question: Will the governments, whether Liberal or Conservative, which have allowed, for the past hundred years, the constitutional problems to arise in our country be able to correct them?

Some reforms are necessary, we agree but before going ahead, we should seek the causes of the present unrest and realize the mistakes made in the past regarding the constitution. In fact, every year, governments make a mess of it. How do we know that what we want to reform today will be more respected tomorrow?

• (2:50 p.m.)

In my opinion, the basic flaw in our present constitution is the division of powers among the provinces even though those powers are clearly defined in the constitution. But once again money is the source of trouble. Still, we were supposed to pay much more attention to the question of languages at the last federal-provincial conference.

I noticed that during the three days of the conference, the representatives of all the provinces spoke the same language with the federal government: the dollar language.

All provincial representatives spoke of the money problem and, yet, there is talk of bilingualism and biculturalism. The formalists know their responsibilities in matters of road construction and health, because the constitution allots the money to federal government. This government was given the means to

assume provincial responsibilities, while the provinces were given only the responsibilities.

So long as the Canadian constitution will not allow the provinces to assume financially the responsibilities assigned to them, so long as we are at grips with the constitutional problem, so long as there is a quarrel between the ten provinces and the federal government, the provinces will have nothing but responsibilities while the federal government will have the money.

Nothing during the last federal-provincial conference allows us to hope that the Canadian government will be able to do something to enable the provinces to achieve their own aspirations.

On the second day of the conference, while attending the discussions I heard the Ontario premier, Mr. Robarts, refer to what the Alberta premier, the hon. Mr. Strom, had said the day before, that is, that the Bank of Canada should be used to achieve the economic development of the provinces.

That was a suggestion from the premier of Alberta, and the premier of Ontario took it up, giving the Prime Minister of Canada to understand that it might not be a bad thing to look more carefully into the suggestion of the premier of Alberta.

Then, the premier of British Columbia pointed out that the governor of the Bank of Canada, Mr. Rasminsky had already stated that nothing in the policy of the Bank of Canada prevented an assistance to the provinces, but that, on the other hand, the present government's policy was not in keeping with the wishes of the premier of British Columbia, as was suggested by the premier of Ontario, after the statement by his Alberta colleague.

It is easy to speak of taxation and reform, but as long as the provinces remain in an economic bottle-neck, that is in a financial ghetto, as long as the provinces are compelled to build bridges, hospitals and schools because the federal government does not assume its financial responsibilities, they will have to pay the interests on the costs of four bridges, five highways, four or five hospitals, and we shall not get out of this jam, financial and economic, we shall be fettered by this strait-jacket. That is how the provincial representatives see things. This is so true that at the last federal-provincial conference, all the provinces found a common language, the language of the dollar. Eleven governments, including ten provincial governments, were trying to "stretch" the buck, to "lengthen" it,

and unfortunately, so far the federal government has not put forward concrete solutions in the financial field.

The hon. Eric Kierans, a former Revenue Minister in the Quebec government, said on May 7th 1964 and I quote:

> Quebec wants Ottawa to make its financial policies more adaptable.

Mr. Turner: That was long ago!

Mr. Rondeau: The Minister of Justice says "That was long ago". Well, we have been awaiting reforms from the federal government for a long time and they are not forthcoming. In fact, what the Postmaster General said when he was the Quebec Minister of Revenue still holds true today and reform is just as urgent as in 1964.

He said, in a statement reported in *Le Devoir* of May 7, 1964:

> "It cannot be otherwise, when a province implements a development program such as ours and finances its increased expenses mainly by way of borrowings.
>
> The policy of the Bank of Canada in respect of Quebec's needs should be designed in such a way that the terms of credit—

Nothing has changed, and yet that was said long ago!

> —would be made much more flexible to reduce the cost of our borrowings".

When we look, for example, at one single item, housing for 1969, we see that the CMHC mortgage interest rate is 9⅜ per cent. Well, in that field also the federal government has put the provinces and housing in a financial dead end, so that the present Minister of Transport (Mr. Hellyer) had to study for months to try to deal with the housing problem. However, the 12 per cent tax has not been withdrawn, and this has given a deadly blow to construction in all provinces and paralysed residential housing development.

Mr. Speaker, the centralizing tax policy of the federal government is no solution for the monetary problem faced by the provinces in 1969. As far as constitutional problems are concerned, the Ralliement créditiste suggests that the constitution of Canada should be the property of Canada and that it could be amended by Canadians and not by others.

At the federal level, Canadians should be able to feel at home everywhere in Canada, which implies that both official languages be recognized throughout Canada.

Economically, the federal government should withdraw from fields over which it

has no jurisdiction. In accordance with the present constitution, it should hand over to the provinces the powers of taxation which rightly belong to them, that is personal income tax corporation income tax and estate taxes. The provinces would then be able to assume their responsibilities and to build a society to their image.

Federal government action in fields which are the responsibility of the provinces has become impossible and is the source of constant conflicts.

The Ralliement créditiste favours negotiations between the federal government and provincial governments, with a view to drafting the basic documents which will be used to set up a new constitution.

This morning, the Prime Minister asked us to make suggestions. But we have been making suggestions for a long time now, only not many of them have been put into practice. Here is what the chamber of commerce of the province of Quebec is suggesting, as an answer to our constitutional problems.

It is federalism which offers to French Canadians the best opportunities to organize their economic life. However, the kind of federalism we have known until now should be changed:

(a) the constitution of Canada (the British North America Act) should be amended or redrafted in order to clearly define responsibilities at every level of government, to allow every level of government to levy taxes according to its needs and to provide for a machinery which would prevent efficiently trespasses of jurisdictions—

From various governments.

(b) Taxation policies of federal as well as of provincial governments should be reached only after consultations, these should take place at the official level and on a permanent basis.

However, at the last federal-provincial conference, the right hon. Prime Minister was the target of several attacks, because the federal government had interfered on several occasions in the affairs of the provinces, through implementation of several of its programs.

• (3:00 p.m.)

And I go on with the statement of the chamber of commerce of the province of Quebec.

(c) Monetary and tariff policies of the federal government must be set up in consultation with the provinces and those consultations must be official and permanent.

Here is also what the chamber of commerce of the province of Quebec states, and I consider this to be a lever to bring about our economic expansion, from the federal and provincial point of view, regarding the responsibilities, and I quote:

(d) The Bank of Canada should facilitate the financing of the provinces and, through the latter, the financing of municipalities and school boards.

Then, after the Creditists have made their views known for several years in the house or outside—the chamber of commerce finally came out with one of the main recommendations Creditists have never stopped making, namely to use the Bank of Canada to relieve financially the provincial governments, municipalities, school boards or the various public bodies. And I go on:

4. French Canadians must be convinced that their self-achievement depends basically on their leadership in all fields of economic and social life.

5. English-speaking people in Canada must show that they accept fully French-speaking Canadians as partners and not hamper their access to executive positions, either in the public or in the private sector of the economy and administration of the country. It is mainly a question of attitude which manifests itself in concrete everyday actions at the government or corporate level, regarding spending policies, professional services, promotion, advertising and so on.

Mr. Speaker, that is what the Chamber of Commerce thinks about our constitutional problems today. For years everyone has been blaming, and rightly so, the central government, the federal government, because of its centralization, because it intrudes, too often, unfortunately, without consultations, in provincial matters.

But, in time, more than one villain may be discovered. We can also blame some provincial governments, like the Quebec government, for instance, who enter into agreements, and then, afterwards, cry for autonomy. Quebec needs money, probably more than all the other provinces. However, it still allows the federal government to levy taxes, and then hopes that they will be handed back by Ottawa.

The provincial governments of Quebec and of the other provinces, have, since July 17, 1947, according to chapter 58 of the revised Statutes of Canada, signed agreements, and I quote:

Dominion-provincial tax rental agreements:
An act to authorize the government of Canada to enter into agreements with the governments of the provinces pursuant to which, in return for compensation, the provinces agree to refrain from levying certain taxes for a limited period.

That act was approved on July 17, 1947. At the time, it was a rental of provincial taxation powers to the federal government. That rental by the provinces of their own fields of

taxation to the federal government has been renewed from then on.

It is strange to note on November 4 and 5, 1968, there was another federal-provincial conference in Ottawa. The Minister of Finance, (Mr. Benson) asked the provincial delegates for a five-year renewal of the authorization to levy taxes for the provinces.

It is a well known fact that the agreements referred to were lapsing on December 31, 1968. We thought that the Quebec government would oppose the renewal of the agreements, since, for twenty years, the two traditional political parties had been vying with one another to obtain from Ottawa the return to "la belle province" of her tax fields.

Therefore, we could expect that our officials at the conference would oppose the rental of these tax fields for another five-year term, but, oddly enough, what happened was just the opposite.

On November 6, 1968, the hon. member for Roberval (Mr. Gauthier) asked the Minister of Finance whether he had obtained unanimous consent from the provincial delegations on income tax collection for another five-year period. The minister's reply, to be found on page 2484 of the official report, was as follows:

No one disagreed.

That is, opposed the renewal of the agreements.

Now, on the one hand, the federal government took over tax fields that belonged to the provinces, the provinces having agreed to rent them for a while. On the other hand, now that the federal government has taken over such tax fields, the provinces would like to receive the amounts collected in the form of taxes.

We believe that conflicts between the federal and provincial governments concerning taxation powers will not be solved before some time. Therefore, it is incumbent on the federal government to settle the problem, since it has now sole jurisdiction in financial matters.

Provinces can levy taxes only in accordance with the constitution, while the federal government has the right and duty to make available to the provinces the money they need to insure their own development.

I have here yesterday's issue of *Le Droit*, and strange enough, on the first page, one can read:

Cry of distress from the Maritimes.

[Mr. Rondeau.]

On the right of the first page, there is also:

$10 million for Tunisia.

While the provinces beg for assistance from Ottawa, the Minister of Industry, Trade and Commerce (Mr. Pepin) offers millions to Tunisia. Assistance is still being given to foreign countries, to Tunisia, as has always been done. Last year, we made loans under the assistance program to developing countries in the amount of $163 million. On the other hand, the government says it is unable to help the provinces which are now facing an economic problem.

Créditistes have for a long time denounced the federal government's lack of foresight in money matters. Our opponents always answer us: But money must be found somewhere. Here is what Social Credit has always advocated because there are several ways to govern a country and to put money into circulation. I quote:

—there may be differences of opinion about the order of priority, but we shall not dwell on them. There are two or three main methods which could be briefly mentioned.

In his testimony before the banking and commerce committee in 1939, Mr. Graham Towers, former governor of the Bank of Canada, made the following statement:

A government may find money in three ways: by taxation, by borrowing people's savings or by combined action through a vast monetary policy, namely by loans which create additional funds.

• (3:10 p.m.)

I should now like to quote a proposal about government financing.

The procedure today, when the government needs more money to meet its expenses than the taxes collected is to borrow it from the people, from chartered banks or finally in New York. Loans obtained from chartered banks are exactly the kind of borrowings referred to by Mr. Towers which "create additional money".

Let us not forget also the fantastic amount borrowed abroad to be used for the development of our natural resources.

It is still a mystery for many who wonder: How come a country, such as Canada which has tremendous natural resources and manpower is compelled to borrow foreign capital to develop those resources and make them available to its citizens? It is still a greater mystery to note that provincial and municipal governments, in order to build roads, schools and other public utilities, must go on foreign markets to obtain the funds required to carry out their projects in Canada.

But the greatest mystery still, is to see a sovereign government, our own Canadian government, which has the unique and exclusive authority to regulate, control and issue money, handing over such sovereign prerogatives to profit making private institutions, and then ask them—those banking

institutions, its own creatures—for the money required for the general benefit of the country. This is beyond understanding!

Créditistes state that before borrowing from private banks and from outside the country, the government should first of all get from the Bank of Canada the money it needs from time to time, in addition to the tax revenues, to help finance Canadian development, particularly in the public sector. Why, in fact, should Canada borrow from chartered banks and afterwards tax the people to pays for the interests, while it could obtain the funds (without interest) from the Bank of Canada, which is a public institution established by parliament to regulate and control the circulation of money and credit in Canada?

In his report to the Twentieth Century Fund on economic problems in the United States, Stuart Chase, on page 105 of the book "Where Is the Money Coming From" quotes the National Resources Planning Board as follows:

The day when the charges on the federal debt will become oppressive, we shall have to think seriously of creating through a modern banking system and our Treasury institutions a debt free from interest.

On the same page, Stuart Chase adds:

If the government borrowed only from its own central bank, without interest, there would be no interest charges at all. There would be capital redemption and the principle that too much money must not be introduced in the system would be safe.

This is exactly what Créditistes have been claiming for several years. A study of the history of Canada over the last century, reveals that new borrowings do not help pay off the debt. It must nevertheless be paid back. Interest rates must be reduced. This could only be done by replacing gradually our interest-bearing indebtedness by some money obtained at the "cost price" from the Bank of Canada.

These are, Mr. Speaker, concrete solutions to the economic problems of the provinces and the country, for which we would like to hold our constitution responsible, that constitution that we have been hacking up today, for the purpose of making the dollars more elastic, of allocating them among the provinces.

I have in hand another article which shows beyond doubt that Canada is not faced with an economic problem, in view of its wealth, but rather with a financial problem.

I also have a newspaper clipping which shows the kind of prosperity that not only Canada, but also several other countries of the world, would enjoy were the riches more evenly distributed.

The author is referring to the spending done by different governments throughout the world, following the 1939-1945 war.

[*English*]

Every family could be provided with a $24,000 house and $8,000 worth of furniture, plus a cash bonus of $40,000 throughout the whole of Great Britain, U.S.A., Russia, Canada, Australia, Ireland, France and Belgium.

I continue:

In addition, every city of over 200,000 people in all those countries, could be given cash grants of $50 million for libraries, $50 million for schools, and another $50 million for hospitals, had the money spent by these countries for military purposes between 1939 and 1946 been devoted instead to community and private development.

[*Translation*]

Mr. Speaker, if, during the war, we were able, and other countries were able, to spend an average of $24,000 for the war, we could have given a $24,000 house to each citizen in all those countries.

We could have given $40,000 in cash to some citizens of those countries. We could also have given $8,000 worth of furniture to each one of them. We have spent that much during the war. There are statistics to prove it.

Today, because this is no longer wartime, the provinces are divided, there is disagreement between them, they are like ten dogs fighting for a bone. There is fighting around the taxation platter.

I suggest, Mr. Speaker, that there is no solution, even if we were to change our constitution. Even if we achieve those reforms seriously, even if we do not allow the provinces to discharge economically their responsabilities, as clearly stated in the constitution, we will keep quarrelling, and having federal-provincial conferences without getting more results than what we had this week.

Mr. Speaker, I would like to end my comments with an explanation of the economy. I borrow it from a president of the United States who has been considered—and rightly so—as one of the greatest: Abraham Lincoln. He said, and I quote:

• (3:20 p.m.)

[*English*]

Money is the creature of law, and the creation of the original issue of money should be maintained as an exclusive monopoly of the government. The monetary needs of increasing numbers of people advancing towards higher standards of living can and should be met by the government. Such needs can be served by issuing national currency and credit through the operation of a national banking system. The circulation of a medium of exchange issued and backed by the government can be properly regulated and redundancy of issue avoided by withdrawing from circulation such amounts as may be necessary, by taxation and otherwise.

Government, possessing the power to create and issue currency and credit as money and enjoying the right to withdraw both currency and credit

from circulation by taxation and otherwise, need not and should not borrow capital at interest as the means of financing government and public enterprise.

The government should create issue, and circulate all the currency and credit needed to satisfy the spending power of the government and the buying power of the consumers. The privilege of creating and issuing money is not only the supreme prerogative of the government, but it is the government's greatest creative opportunity.

By adoption of these principles the financing of all public enterprise, the maintenance of stable government and ordered progress, and the conduct of the Treasury will become matters of practical administration. The people can and will be furnished with a currency as safe as their own government. Money will cease to be the master, and become the servant of humanity. Democracy will rise superior to the money power.

[*Translation*]

Mr. Speaker, money will always be the prime concern of our governments, so long as they will not accept their responsibilities, for the constitution—and it is clearly stated—allows the provinces to assume their responsibilities. We are in favour of a study of our constitution, but we should first ask ourselves why the constitution has been so badly mishandled until now.

Some hon. Members: Hear, hear.

[*English*]

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I am pleased to have the opportunity to contribute to the debate touching a matter of such basic importance to our country. We are talking about the fundamental law of the land. People do not realize generally how important the constitution is in the lives of our citizens. As an observer at the recent conference, I was struck by the fact that even some at that conference did not understand the relationships existing between certain subjects under discussion and constitutional problems.

There are two ways of looking at the constitution. To illustrate my meaning I can do no better than repeat what Aristotle, the first philosopher to define a constitution, said. He first defined a constitution as the organization of a state in respect of its offices, and especially in respect of that particular office which is supreme in all issues. That was a juridical definition on the basis of which the Greeks, and later many others, devised classifications of constitutions falling into three good and three bad forms. Again in his "Politics" Aristotle gave us another definition of a constitution, when he said that a constitution is the way of life of a citizen body.

This, it seems to me, is the most profound meaning of a constitution. That is the meaning of our constitution, and it is most necessary for our people to realize this today.

It is true, of course, that in some quarters of this country people are dissatisfied with the juridical concept of our constitution. But it seems to me that the dissatisfaction of some of our people goes beyond that. Some people feel that the constitution, which was originally made in 1867 and drafted in legal or juridical language, does not respond to the desires and aspirations of minority groups in Canada today. Not only the French Canadian group but many other minority groups in this country look forward to the enshrinement of their basic rights in a bill of rights.

In a booklet, "The Constitution and the People of Canada", which was released last week, the federal government has outlined proposals for a new constitution. I do not propose to read all the objectives set out on page 48. The first of those is:

To establish for Canada a federal system of government based on democratic principles.

If you like, you can call that democratic federalism. Federalism does not mean, as some seem to think, that the central government is all-supreme and that our orientation in all federal matters must be in the direction of Ottawa. Federalism is not the same as centralism, nor is it the same as the sum total of provincial rights or regional needs and aspirations. Federalism involves a balance between the central needs of our people and the various needs of the regions. The constitution drafted in 1867 struck that balance imprecisely when defining positions as between one government and another. Obviously, there is a considerable overlap in the exercise of federal and provincial powers. For example, the federal power under section 91, subsection 27, of the British North America Act with respect to criminal laws and procedures is very, very broad, and has been so interpreted by the courts. This power touches on matters considered by the provinces as coming within their jurisdiction. Of course, even broader is the general power to legislate with respect to the peace, order and good government of Canada. Similarly, section 92, subsection 13, vests the right to legislate with respect to property and civil rights in the provinces. That language might encompass practically every matter with which a provincial or federal legislature might be asked to

deal. There are conflicts built into the constitution which cannot always be solved judicially. When they are not direct conflicts, the courts have held the view they result from concurring powers. Until the constitution is reformed, both jurisdictions must be allowed to exercise the powers which are validly theirs.

• (3:30 p.m.)

On this point I did not quite understand the position of the hon. member for York South (Mr. Lewis). Unlike the Leader of the Opposition (Mr. Stanfield), whose suggestions were not concrete but of a general nature, and unlike the propositions of the speaker for the Creditiste Party which although concrete were irrelevant, the suggestions of the hon. member for York South fell somewhere in between. His propositions apparently are more concrete and less irrelevant than those of the two other opposition spokesmen. Today, I understood him to say he does not want the spending power of the federal government limited. Dealing with the same subject last Thursday in this house, he supported the provincial requests for "bread", and stated the time had come for placing at the head of the constitutional discussions the role of the spending power of the federal government. Was this subject to be placed on the agenda merely so that the provinces could be told the federal government would not make any changes in the spending power or was it to be put on the agenda with the possibility of some genuine give-and-take? I understand it is this give-and-take attitude to which the hon. member now objects. Perhaps what he means is that the equalization payments should be increased. In this sense he would want the spending power freely used, and in other senses not used.

If this is his meaning I would submit the question of equalization payments is not a constitutional question. Does he propose to write into the constitution a criteria of equalization payments which, I submit, according to the experience of the last 20 years in Canada would surely become a new rigidity which we would desire to get out of the constitution.

Section 91 (1A) of the British North America Act gives to the federal government power over public property. The money which the federal government collects is public property and it is entitled to spend it as it wishes. An issue arises where the legislation is not a mere spending enactment, as it is for example in the Family Allowances Act, but is an exercise of the taxing power or combined taxation and a scheme of disbursements, such as the Unemployment and Social Insurance Act of 1935 which was found to be unconstitutional by the Privy Council.

If the federal government does not use its taxing power in a specified way, it does not fall afoul of the rules which the court has laid down for its use. In general, the federal government is entitled to spend as much money as it desires for whatever purpose it desires, even should that purpose be provincial. This is not only the judicial interpretation; it is the practice of governments of Canada, a practice which has been objected to in various instances by the provinces, but which has been accepted as a general use of valid federal power. Some provincial spokesmen at the constitutional conference did not understand this. Spending power was treated by them as if it were an unconstitutional intrusion. Some premiers suggested a new constitution is not necessary, that we should live up to the present one. The truth is that it is being lived up to. The present constitution gives this vast power to the federal government. If the provinces want to see the federal government use its spending power in a different manner, a constitutional arrangement will have to be made to restrict the exercise of that power.

A more serious problem, Mr. Speaker, arose at this conference respecting the provincial approach to the constitution. The province of Quebec, from a cultural point of view, sometimes makes claims that it in effect is the national state for people who live in that area. In economic terms, the Premier of Ontario made a similar assertion, that the province of Ontario is an entity for all purposes, and that when citizens of Ontario pay taxes to the federal government somehow this money should be credited to the government of Ontario. I submit this is entirely wrong.

Under a federal government citizens are citizens not only of the particular province in which they live, but citizens of the country as a whole. It is as citizens of Canada that they pay these taxes to the government of Canada. No province has the right to a fiscal equivalent when they do not take advantage of a federal program which may be offered to them. It is not possible to go beyond federalism in this way, and escape its bounds. Federalism cannot be restricted entirely to its provincial dimensions or entirely to its federal dimensions. Perhaps the balance in the constitution is not satisfactory. If not there should be concrete proposals to change it.

But while it is not possible to go beyond federalism in the economic realm, there is one way to go beyond it. That is with respect to the proposal of the federal government for the entrenchment of certain basic human rights in this country, political, legal, egalitarian, and not least of all linguistic. From discussions at the conference it would appear the provinces have almost reached agreement regarding the entrenchment of the political rights of citizens in this country. They are willing to go beyond federalism, beyond the jurisdictional divisions between the federal and provincial governments, to guarantee to the citizens of this country certain rights which no government, national or international, would be able to take away from them. It is my hope that in the continuing discussions of the constitutional committee this opening toward the possibility of entrenchment of some human rights will be pursued. There appears to be more disagreement in the other areas of legal and egalitarian rights. It may be the government will have to consider an opting-in formula which would allow certain provinces to join with the federal government in a bill of rights applicable to their district.

• (3:40 p.m.)

On the linguistic question, I am unable to see the validity of any of the arguments which have been made against the official languages bill. Section 133 of the British North America Act provides very specific guarantees for the use of the English and the French languages, but it does not limit the use of the English or French languages to those situations set out in the section. There is no tradition of judicial interpretation any more than there are words in section 133 that would suggest there is to be a limitation on the use of either language. If it were desired legislatively to expand the use of any language beyond the bounds of the guarantees in section 133 there would be no constitutional difficulty. Similarly, with respect to section 91(1), where again there is a language guarantee, the guarantee appears to be no broader than that in section 133 because that in section 133 is the only guarantee which could be incorporated in section 91(1).

But despite the fact that I believe the linguistic rights bill to be fully constitutional, I think we must applaud the restraint of the Prime Minister (Mr. Trudeau) in agreeing to negotiate with the provinces on this subject, and in not pressing this issue. People's deepest fears are often revealed not so much in the arguments they make but in the fact that they make arguments. There is no doubt that there is a certain uneasiness among many of our fellow citizens about the effects which an official languages bill, and other bills of that kind, might have on them. It is well for us to proceed slowly in this area, and to seek ways whereby these people can constantly be given reassurance. The federal government has no intention of acting precipitously in a way that would deprive people of rights that they have, even though it is interested in expanding the rights which some of our other fellow citizens may have.

With respect to the problem of employment, this might be an area where we could establish the office of a linguistic ombudsman who would be concerned with all cases where people felt, rightly or wrongly, that their right to employment might be infringed by the actions of their superiors. This might give a feeling of security to the little man who faced the prospect, in his mind, of losing his job.

In conclusion, Mr. Speaker, and with respect to the constitutional committee, it seems to me that it ill becomes members of the opposition to charge the government with failure to produce at this point a more complete statement of the positions which it adopts. The federal government is acting in accordance with the plan it proposed at last year's conference, to proceed step by step to deal with certain problems, and then with others, a plan being followed as well by the continuing committee of officials discussing this matter at many meetings during the year. We have before us in this house a set of proposals which have been made by the federal government which cover many of the problems that have to be dealt with in re-examining or in redeveloping the constitution which this country will need for the next 100 or 200 years.

When I think of how the constitutional committee will function, I am somewhat concerned that it will not be aided by the imprecise notions of the Leader of the Opposition (Mr. Stanfield) on this subject, or the irrelevancies of the spokesman for the Creditiste Party, or indeed by what I feel to be the anti-federal rigidities of the spokesman for the New Democratic party. And yet, with the consideration by the committee of concrete proposals by the government of Canada, I am hopeful—

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

Mr. MacGuigan: Not at the moment.

Mr. Lewis: It is merely about what you have said now—

Mr. Speaker: Order, please. The hon. member who has the floor has indicated that he will not accept a question at this time.

Mr. MacGuigan: Well, Mr. Speaker, since I get the gist of the hon. member's question, and it is about the language I used, I will take the question now.

Mr. Lewis: Did I hear the hon. member say I was susceptible to anti-federal rigidities?

Mr. MacGuigan: Yes, that is the phrase I used. I consider the hon. member's centralist position to be anti-federal because it does not give the balance required. Indeed, I was listening very closely to him.

Mr. Lewis: I wish the hon. member had heard as well as listened.

Mr. MacGuigan: In conclusion, I would say that despite these concerns and reservations about the functioning of this committee, I am pleased that members of this house will have an opportunity to express themselves in the committee during its deliberations. I know there is no member of this house, from whatever party he may be, who will not put his country above his party or himself on questions of this kind.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, it is obvious that in the few minutes allowed to members of the house to discuss such an important subject as the constitutional reform, it will not be possible to reach a consensus.

However, I think we have an opportunity to make a few concrete suggestions in answer to the invitation given this morning by the Prime Minister (Mr. Trudeau) in his brief statement.

Before I came to the house today, Mr. Speaker, I read the proceedings of the debates on confederation. I refer to the volume reporting the debates of the 3rd session of the 8th parliament in 1865. On page 53, there is a statement made by the hon. Mr. Currie. I should point out that this dates back to 1865. This volume contains also the speech made by hon. Mr. Brown, and I quote:

"On a survey of the whole case, I do think that there is no doubt as to the high advantages that would result from a union of all the colonies, provided that terms of union could be found just to all the contracting parties, and so framed as to secure harmony in the future administration of affairs. But it were wrong to conceal for a moment that the whole merit of the scheme of union may be completely marred by the character of its details."

Mr. Speaker this statement was made over a hundred years ago and it illustrates plainly that those who were busy outlining a new constitution foresaw that serious problems would arise, and that every province should be aware of its responsibilities within Canada.

Mr. Speaker, I would now like to revert briefly to the remarks made this morning by the right hon. Prime Minister.

I regret deeply the tone and the attitude of the Prime Minister, when he spoke of such a vital and important question as the revision of the constitution through the constitutional Conference. At one point, the Prime Minister, speaking of some provincial responsibilities, said, among other things, that the provinces could not shoulder the financial burden of air pollution control.

If the Prime Minister wanted to illustrate the dangers of air pollution he certainly has proven to the house that air pollution during the discussions is not less prejudicial.

The Prime Minister—I am sorry he is not here at the moment,—has been, to say the very least, pretentious, arrogant and insulting to the members of the house. Surely, Mr. Speaker, the Prime Minister, whose main plank in his political platform was Canadian unity, could have been expected to act this morning in a more responsible manner.

The Prime Minister said that he was anxious to hear the members of the opposition and then announced in the same breath that he had to leave for Quebec and meet "Le Bonhomme Carnaval" and other V.I.P's participating in that celebration. I understand of course that the Prime Minister has obligations, but in my opinion, when for the first time in history the House had to discuss a question as important as the new constitution, the Prime Minister might have made a point to delay his departure.

• (3:50 p.m.)

[*English*]

I know he has explained, but he is still away. We expected more this morning from the Prime Minister (Mr. Trudeau) than the provocative and cynical argument he presented. The Prime Minister has asked the opposition to bring forth points of view and make suggestions, but he refused to accept those

suggestions even before the invitation. He has been reported in news comments and communiques to the effect that he would not accept the establishment of a house committee to study the constitution. How can the opposition discharge its duties, and how can opposition members make concrete suggestions to the government, when the Prime Minister tells the country through the medium of the press that he is not ready to accept opposition suggestions? This is just another way by which the Prime Minister imposes his view on this parliament and the country as a whole.

We have read the manifesto distributed by the Liberal party, during the last election about the just society. I believe the Prime Minister should have read this manifesto before stating this morning that he will not consider the acceptability of a house committee on the constitution. I suggest the Prime Minister should read paragraph E of this manifesto which was distributed throughout the country. It has the picture of the Prime Minister on the front with the words "For Canada; the just society" Let me read what paragraph E states in part:

> Parliament's procedures must be reformed. Greater importance must be given to parliamentary committees so that members of parliament may play a more effective role in our legislative process.

That is a quotation from the main manifesto, the vademecum or biblical literature that the Liberal organization sent out through the country during the last election. The election is now over. It is difficult to understand the members of the Liberal cabinet and Liberal members across the way because I do not believe the government has any intention of living up to the promises made to the people of this country during the election campaign.

[*Translation*]

And now, Mr. Speaker, I feel it is imperative to say a few words about the climate that prevailed at the constitutional conference and also in the House of Commons this morning.

At the Conference held this week, the Prime Minister was in the driver's seat; the provinces had to follow his lead in the debate; and he would not accept from them any position, any decision nor any recommendation that was contrary to his own views.

In fact, to my way of thinking, this was not a constitutional conference in which the elected representatives of the people were taking part, but rather a meeting between the premiers of the different provinces of Canada.

And we all know that the premiers are after all no more than the representatives of political parties. By no means do I wish to question the qualifications, the integrity or the objectivity of any of them, but I merely want to mention that there were at that conference table elected party representatives, so that the opposition of each of the participating provinces was excluded.

I suggest, Mr. Speaker, that so important a conference does not concern only the parties in power in the provinces, but that it must certainly concern also the opposition parties, whichever they are. The same applies both to the federal government and the provincial governments.

After the statement of the Prime Minister, we heard—and I felt most proud of it—the comments full of dignity made by the leader of the Progressive Conservative party, who surely taught the Prime Minister a bit of wisdom by tackling this matter with restraint, with objectivity and with all the earnestness required by a question as essential as the constitutional conference.

What astonished me and every other hon. member—and I think this applies to all opposition parties—was the request made by the Prime Minister, not to the government members who are responsible for the administration, but to opposition members, to express, publicly or otherwise, their views on the Senate, on monarchy and on the government's proposed constitution. He asked whether opposition members agreed with the provincial premiers. What is the attitude of the opposition on linguistic rights? What are their suggestions? What is the position the Progressive Conservative opposition on the two-nation policy?

The Prime Minister was then asking the opposition to outline his administrative program.

I am greatly surprised at this attitude on the part of the Prime Minister, because ever since he has been sitting in this house as Prime Minister as well as Minister of Justice, he has never asked opposition parties for suggestions regarding the organization or the preparation of the agenda of the constitutional conference.

It is only after the conference has practically fizzled out that the Prime Minister, in an attempt to conceal the few positive effects obtained, appeals to the opposition.

But among the questions asked by the Prime Minister, some cast doubts upon the sincerity and the concern of the Progressive

Conservative party about the affairs of the country.

I was especially surprised when the Prime Minister suggested that the opposition should speak out, for example for or against monarchy. He undoubtedly forgot that not so very long ago, the young Liberals of a certain Ontario riding, the name of which I forget, had passed—some government members remember it—a resolution to abolish monarchy in Canada. It must be admitted that the resolution was defeated.

This was not an initiative of the Conservative party, but one that originated from young Liberals of an Ontario riding. When the Prime Minister asked his question this morning, I wonder if he was not putting it to the young Liberals rather than to the Conservative party. This was a roundabout way of imputing to the opposition attitudes which do not square with the facts. He also tried to place the opposition in an ambiguous position when he accused the Progressive Conservatives of promoting the two Nation theory. It was highly wise or clever of him to speak in English on that occasion.

• (4:00 p.m.)

[*English*]

I think I should repeat what the Prime Minister said this morning. He said the opposition should say whether two nations form one Canada, because we know that "nations" means one thing in French and something different in English. What the Prime Minister did not say this morning was that during the last election campaign he was trying to convince the people we were attempting to divide this country by preaching for two nations because what we were actually doing was preaching for two Canadas. I think the argument was dishonest at that time and is no more honest now when it is brought into the house in this way.

[*Translation*]

Mr. Speaker, on this side, we have always been true to our principles. On the occasion of the Montmorency conference, to which the Prime Minister has referred this morning, indeed, we spoke about two nations, but we did so exactly in the same sense as the Prime Minister, the Progressive Conservative party has never preached division by advocating two Canadas. And if I stress the point, it is due to the fact that, like many other people, I had to refute the fallacious argument, the false propaganda to that effect that was spread across the country during the last election.

Mr. Speaker, the Prime Minister also asked the opposition this morning to define its position on the linguistic question, and he then explained his own approach, as he had done at the constitutional conference, and I quote:

> Those who believe that we want to impose the French language throughout the country are mistaken. What we want is to set up bilingual regional districts.

However, Speaker, if we refer to the brief entitled: "For a just society in Canada." We find this at paragraph 6, under the heading "bilingualism".

> From now on, every citizen will be able to resort to one or the other languages to deal with the federal administration.

Mr. Speaker, no specific details are given in this brief regarding the bilingual districts the Prime Minister referred to this morning and those he referred to at the Conference.

So, we must ask ourselves whether the Prime Minister is really playing a political game or whether he is in earnest when he wants to settle the linguistic problems of Canada.

That problem has certainly not been solved. We have confidence in the goodwill and the good faith of our Canadian fellow-citizens; we are well aware that, when that question will be submitted to bodies whose task it will be to define a policy, that language provision will surely receive the support of the Canadian people, with a view to building a united Canada.

Mr. Speaker, the constitutional conference held this week has been, in my opinion, less productive than the two previous ones. In fact, I think that the conference which has most contributed to develop a sound basis for the drafting of a new constitution was, not the one which took place this week, nor the previous one held in February 1968, but that convened by the premier of Ontario (Mr. Robarts) in November 1967.

At this last conference, the premiers were not obliged to comply with instructions or imperatives, as required by the Prime Minister, but it was attended by representatives who were discussing together their needs and their problems and were endeavouring to put forward solutions.

Of course, if one refers to the constitutional conference in February 1968, when the present Prime Minister was Minister of Justice, it is obvious that that conference was

perhaps more of an electoral manoeuvre than anything else, since it allowed the Minister of Justice to become the pretender the then prime minister's crown and to set forth some electoral arguments on TV. But, Mr. Speaker, it is a matter of disappointment to see that after discussions that lasted for three days, the last constitutional conference did not make it possible to make fair decisions in order to enable provinces to discharge the responsibilities assigned to them by the Canadian constitution.

Of course, the dilettantism shown by the present Prime Minister has been one of the main obstacles to the success of this constitutional Conference. Almost all observers are unanimous, except of course some premiers whose political allegiance was stronger than the constitutional argument and who became the admirers of the Prime Minister.

On the whole, it can be said that this conference did not bring any solution to the most pressing and most urgent problems of our country. At first we expected the linguistic issue to be the main concern of the delegates but we quickly realized that the provinces had more pressing needs and that it was the monetary and financial problem. The question was whether the central government would keep its control over the powers and rights of the provinces, or whether it would realize that the provinces had their own needs and that they are faced with tragic situations.

We only need to read to-day and yesterday's papers to realize how tragic is the unemployment situation in the province of Quebec. We know that 40 per cent of the Canadian unemployed are found in that province.

At the present time the province of Quebec is faced with financial problems as serious as those of the Maritimes. In Quebec the unemployment rate reaches 8.9 per cent while it is over 10 per cent in the Maritimes. The province of Quebec should have not been made the centre of attention in this conference because it came to request from this federal government and to put before it the same problems which other provinces have stressed for so long. But the federal government turned a deaf ear.

This morning, the right hon. Prime Minister put questions to the members of the opposition and requested directions on a possible approach; may I too ask the right hon. Prime Minister some questions to which I invite him to reply.

[Mr. Valade.]

We should like the government and the right hon. Prime Minister to tell us whether future federal-provincial conferences will have the same structure as the last one? Are premiers only and members of elected political parties to be invited?

We want to know if the right hon. Prime Minister intends to always keep the upper hand?

We would like the Prime Minister and the present government to tell us whether they intend to control and to further intrude—

The Acting Speaker (Mr. Béchard): Order, please. I regret I have to interrupt the hon. member but the time allocated to him has expired.

Mr. André Fortin (Lotbinière): Mr. Speaker—

The Acting Speaker (Mr. Béchard): Does the hon. member for Lotbinière wish to rise on a point of order?

Mr. Fortin: Mr. Speaker, I would like to remind the house that the present debate was initiated by the right hon. Prime Minister. It is a very important and interesting debate. However, the time set aside for discussions was very short indeed. We could only listen to seven or eight hon. members, I would therefore express the wish that we might pursue.

I therefore move, seconded by the hon. member for Beauce (Mr. Rodrigue):

> That this house will not adjourn at five (5) o'clock, pursuant to standing order, but that the debate will continue until six (6) o'clock.

In case this motion should be out of order or should not meet with unanimous approval, I would like Mr. Speaker, to ask the leader of the government to make some suggestions.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member has risen on a point of order. May I remind him that it is out of order to move a motion of this kind at this stage?

Mr. Valade: Mr. Speaker, with the permission of the house, I could end my remarks in a few minutes.

Some hon. Members: No, no.

The Acting Speaker (Mr. Béchard): Order, please. Unfortunately, we do not have the unanimous consent of the house.

• (4:10 p.m.)

[*English*]

Hon. John N. Turner (Minister of Justice): Mr. Speaker, those of us who have been in the house today, particularly on the government side of the house, welcome this debate in parliament on some of the fundamental issues relating to the constitution and the legal underpinning of Canada. I subscribe to the view that the elected representatives of the people should have an opportunity to pronounce themselves on these issues from time to time to Parliament assembled.

The Prime Minister (Mr. Trudeau) has said that he will consider the appropriateness of a committee to study this issue. It is true that in recent years federal-provincial conferences, either among heads of government or among various ministers of the Crown, ministers of finance, attorneys general, ministers of health and so on, have constituted what has been called by some commentators a third or fourth level of government. When these conferences are televised to the people, there is almost an atmosphere of the Athenian city state. I believe, therefore, that it becomes incumbent upon the representatives of the people to ensure that they are not bypassed, and that they fulfil their mandate to their electors.

Last week it appeared that the federal and provincial governments were approaching each other in a spirit of confrontation. I think the achievement of the conference was that it ended in a spirit of limited concensus and on a basis of universal personal goodwill among the participants at the conference. That in itself is no mean achievement.

The federal government went into the three day sessions with two main attitudes; the first was an attitude of urgency. We felt that there should be impressed upon the provincial governments, and indeed upon the Canadian people, a renewed sense of urgency for a total review of the Canadian constitution. We believe that this is just as necessary now as it was last February or as it was in November, 1967 at the "Confederation for Tomorrow Conference" sponsored by Premier Robarts. We felt that the threat of separate status, special status or separatism was just as great now as it was then; that the scepticism of many Quebeckers toward the option of confederation was just as pronounced now as it was then. We felt that the sense of responsibility that was apparent last year among the English speaking majority of Canada to accept a consensus on language and on constitutional issues, after the last election which gave the present government and Prime Minister a majority in parliament, seemed to have changed into a state of complacency which had diluted that sense of urgency which we thought should be restored. We also believed that the federal impulse or thrust in the country, and particularly the federal thrust in Quebec, should retain the initiative and that this was paramount if the special status or independentist solutions in Quebec were to be finally quelled and defeated before public opinion or in polls. This could only be done if the federalists in Canada and in Quebec could show progress in moving toward a new Canada which was as meaningful to French Canadians as it was to English Canadians, a Canada in which equal access to the services of the government, particularly the federal government, in either language, was guaranteed in the law and hopefully within the constitution. Within the ambit of that objective, I think that the conference showed some significant movement and I think added to the federal thrust in the province of Quebec. So, within that scope and ambit the conference accomplished its purpose.

The other attitude with which we entered the conference was one of flexibility. It had become apparent that whereas the federal government had on its agenda the matters of fundamental rights, objectives of the constitution, language, and the revision of some of the federal institutions of government, the provinces were interested in some of the more immediate problems, particularly fiscal. We had made up our minds to allow a discussion of the fiscal issues, preferably under the umbrella of the constitution, and so we opened up for discussion the federal spending power and the provincial taxing power within the general context of the division of powers under articles 91 and 92 of the constitution. It is true, and the Leader of the Opposition (Mr. Stanfield), has pointed it out, that we were more interested in the medium and long term solutions to the problems facing Canada—and they are not insurmountable problems by any means.

It seemed to us that the root of the fiscal situation in terms of tax revenue and in terms of spending obligations lies fundamentally in a review of the division of the sources of revenue and the division of the responsibility for spending the money obtained.

The provinces went into the conference with money on their minds. The Atlantic provinces came to it with, to my way of

thinking, quite a justifiable interest in eliminating regional disparity, the gap between the rich and the poorer provinces of Canada. The province of Nova Scotia particularly, wanted the principle of the elimination of disparity and the narrowing of the gap in regional equality enshrined in the constitution. We are moving toward a discussion of that point of view. Within that ambit also, considerable progress was made and, I think, considerable satisfaction given to the premiers of the four Atlantic provinces.

Finally, on the provinces' minds was a feeling that there had been insufficient consultation on the part of the federal government in its initiation of some shared cost programs and in its withdrawal from others. I will not go into the merits of that; the Prime Minister has dealt with it and we dealt with it at the conference. I want to say that the arguments came forth strong and clear, and without going into them, I would just remind the provinces that participatory federalism—a term used by Premier Robarts—is a two way street. Certainly, those provinces with a larger fiscal leverage than the others should be expected to have it operate in reciprocal ways, if this principle is to be followed.

I think that the constitutional conference saw a frank and very useful discussion of the constitutional review process and of some of the major issues involved in that review. I concede that any analysis of what was achieved at the conference made from such close proximity in time can only be rather subjective. I may say, however, that a real degree of movement in the process of constitutional review was achieved and a number of matters were designated as having priority. Talks are now to continue and to commence at the ministerial rather than merely the official level. All the governments agreed that ministers should now be responsible for a closer supervision of the course of discussion, and to my mind that denotes progress. I think also there was a general feeling that the constitutional review had to proceed at an accelerated pace. This feeling came both from the provinces which do not feel that major changes are needed to the constitution now but that we should build on the base which already exists, and from the provinces which feel we should entirely rewrite the constitution. This desire to advance the process will, I believe, make detailed discussion easier and enable us to show some real progress in a number of key areas.

[Mr. Turner (Ottawa-Carleton.]

• (4:20 p.m.)

I wish to talk briefly about bilingualism or language as it was dealt with at the conference. Because of the attitude of the four western provinces toward the official languages bill, Bill C-120, a good deal of attention was focused on this subject. There was also a briefer discussion about the possibility of entrenching certain language guarantees in the constitution. We stated that the government was committed in principle to the bill. We believe that equal access in certain regions of the country to federal services of government is essential to national unity and that Canadians are entitled to use their own language and to feel at home in all parts of Canada. We hope this would contribute to the greater mobility of French-speaking Canadians across the country.

We believe that law is necessary in order to convert symbolism into reality. Many provinces feel that because of the goodwill which is now apparent in Canada, and the progress which has been made, an official languages bill would, by its enactment, make progress more difficult. I should like to say that rights can only be recognized by law, and no amount of goodwill can substitute for that. So, we hope we shall be able to proceed with the bill. I believe the bill when enacted will be evidence of good faith on the part of the English-speaking majority in Canada and of the French-speaking majority in Quebec.

I shall not repeat the constitutional arguments because they were made ably in this house earlier this afternoon by the hon. member for Windsor-Walkerville (Mr. MacGuigan). We believe this bill does not constitute an amendment to the British North America Act with regard to the use or extension of the French or English languages. It does not offend section 133, because that is not a limiting section; if it were it would limit the extension of the English language as well, and that would be an absurdity.

It was agreed at the conference in connection with the official languages bill that I should meet with the attorneys-general of those provinces which wanted to discuss the constitutionality of the measure, or certain sections of it. We have been in touch with those attorneys-general and on Monday in Victoria at 11 a.m. I shall meet the attorneys-general of the four western provinces.

An hon. Member: Pretty cold out there.

Mr. Turner (Ottawa-Carleton): Premier Bennett assures me there are tulips growing

there and that the unaccustomed snow has disappeared.

An hon. Member: It might warm up.

Mr. Turner (Ottawa-Carleton): Well, it is true that Premier Bennett is back there. In any event, I shall be meeting with the attorneys-general, Sterling Lyon of Manitoba, R. Peterson of British Columbia, D. V. Heald of Saskatchewan, and Edgar J. Gerhart of Alberta in the Empress Hotel on Monday morning. I shall attempt to allay some of their fears about the constitutional aspects of the bill, and some of their fears about the effects of the bill. I am going out there committed in principle but flexible as to changes in detail they may have in mind in terms of phraseology, and so on.

I told the conference that the effect of the bill on the life of the average Canadian living in the four western provinces had been exaggerated. I think its effect on the everyday lives of English-speaking Canadians there will, in practice, be fairly limited. Our officials discussed with the attorneys-general of the other provinces the possibility of a meeting. The attorneys-general of the Atlantic provinces and of Ontario have indicated that they see no urgency about meeting with me at the present stage. I am arranging, however, to visit Quebec City in about ten days' time to discuss with the Prime Minister of the Province of Quebec the aspects of the bill which cause him difficulty. When our discussions have been completed I shall, of course, be reporting to the government and I hope we shall be in a position then to proceed with the bill on second reading at an early date.

Mr. Stanfield: May I ask the minister a question? Could he, on his return, make a report to the house?

Mr. Turner (Ottawa-Carleton): By all means. I think the Leader of the Opposition (Mr. Stanfield) understands the position we take. If we fail to reconcile our differences over the constitutional aspects of the bill, the discussions are without prejudice and the government has reserved its right to proceed with the bill in the House of Commons. If it is challenged by the provinces in a provincial court of appeal, we shall resist that challenge and I suppose our recourse will then be to the Supreme Court of Canada to which the measure would be submitted under section 55 of the Supreme Court Act. Hopefully, this may be avoided.

[*Translation*]

Despite a certain agitation in some provinces with an English-speaking majority, the good will which has been steadily growing in the last few years, is an overwhelming proof of the new tolerance and of the new desire to grant rights to French-speaking minorities.

At this stage of our history it would be ironical and even tragical, if the province of Quebec, where all minority rights have always been respected, refused at this time to support our bill. I was very happy to get in principle, the support of Mr. Bertrand during the Conference. He made a few reservations about what he called the terms of the bill, that is the bilingual districts. I have not quite understood his argument yet.

In the province of Quebec, a few political reasons will make it somewhat difficult to reconciliate a certain priority of the French language in Quebec with the equality of the rights of the English minority there, but I do not think that this attitude—if it should materialize—will prevent the inclusion in the federal law of a guarantee for the rights of the English speaking minority. Even if a certain priority is granted to the French language in Quebec, there will be no conflict as to the principle of equality of the official languages in the federal legislation.

I hope that no discussion concerning the importance of the French language in Quebec will be detrimental to the adoption of the principle that has already been accepted in Quebec since Confederation, that is the equality of both languages.

[*English*]

On the question of language rights entrenched in the constitution, the conference, as I have said, agreed that the matter should be considered in the light of section 133 of the British North America Act. This provision, as hon. members know, is the one which provides for the use of the French and English languages in connection with federal and Quebec institutions and the publishing in both languages of acts of parliament and of the Quebec legislature. I think it is fair to say that the goodwill displayed by all of the provinces, even by those which appeared disinclined to entrench language rights at the present time, was most encouraging. I would hope that proceeding from an analysis of section 133, and the recommendations of the B and B Commission, the ministerial committee will be able to define the issues and reach some tentative agreement which can be

placed before a subsequent meeting of prime ministers and premiers.

• (4:30 p.m.)

I expect the same will be true in the field of human rights, the entrenchment of which is also to be the subject of, discussion at the ministerial level. I think it would be fair to say that the entrenchment of political rights in the constitution would meet with but little opposition from the provinces; that is, if I have interpreted the statements made at the conference correctly. If one is to judge by the statements made, the main areas of difficulty and disagreement are those concerned with legal rights, egalitarian rights and economic rights.

I think it would be unwise and unrealistic to expect in this or in any other subject matter which has been moved from the official level to the ministerial level for discussion, that rapid progress can be achieved. I see extensive consideration being given to all aspects of these matters, and it is right that this should be so because we are dealing with a fundamental document that concerns our lives as Canadians. This being so, I certainly hope that ministers will be able to report progress in the definition of issues, and perhaps some consensus, to the Prime Minister and the premiers when next they meet.

I am not going to deal again—

[*Translation*]

The Acting Speaker (Mr. Béchard): Order, I regret to interrupt the hon. minister but his time has expired.

[*English*]

Does the house give unanimous consent?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): I will just take two minutes, Mr. Speaker. I want to give the other hon. member the opportunity to speak if I can. I am not going to deal with the Supreme Court of Canada. I hope it was clear from the conference that there is quite a difference in view that must be reconciled between the federal government and the province of Quebec.

We foresee many long months of discussion and negotiation, but the second session of the constitutional conference left me with a feeling of movement, with a feeling that the provinces are now concerned with constitutional review, and that they will work with us, despite the differences in approach to various subject matters, to make this review successful and meaningful. I think that all those present at the conference were conscious of our 100 years of living together and developing together. They were also conscious of the necessity for our examining the basic law in this country with a view to ensuring that it meets the needs of the future.

I think one of the best aspects of the conference was the educative value of the conference to the people of Canada. I do not know how many school children were allowed by their teachers to watch the three days of sessions, but I would say they would have learned more in three days about Canada, its various interests, conflicts and differences, than they would ever learn by reading textbooks for three years. They heard differences of opinion; they heard differences in approach; they saw differences in need. But I believe that the children of Canada saw no difference in motive. I am sure that they are shrewd enough to understand that the motive of everybody there was to fulfil the common expectations and hopes of those of us who live in the northern half of this limitless continent, with all the blessings of nature that it has received. If our children have not come to realize that we are the most fortunate cluster of people on the face of the globe, then they really did not understand the conference.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like—

The Acting Speaker (Mr. Béchard): Does the hon. member for Lotbinière wish to ask a question?

Mr. Fortin: Mr. Speaker, under standing order 6 (5) (a), I should like to move, seconded by the hon. member for Beauce (Mr. Rodrigue):

That the sitting continues until six o'clock today in order to carry on the present debate.

The Acting Speaker (Mr. Béchard): The motion of the hon. member for Lotbinière is in accordance with the provisions of standing order 6(5) (a).

Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Yes.

Some hon. Members: No.

The Acting Speaker (Mr. Béchard): All those opposed to the said motion will please rise.

And more than 10 members having risen:

The Acting Speaker (Mr. Béchard): I declare the motion lost.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, since there are only about 20 minutes left and I should like to give another hon. member an opportunity of contributing to this debate, I shall try to make my remarks very brief.

This is a subject in which, despite the natural tendencies for the members of this house to be partisan—and I think it is proper for us to be so on many occasions—we all endeavour to be non-partisan because the future of Canada is clearly involved when we discuss our constitution. I need hardly say that we in this party are willing and anxious to play our part as a constructive opposition in the building of a new constitution which we think is essential to the future of Canada.

The Prime Minister (Mr. Trudeau) asked the question: Where do you in the opposition stand on the question of a review of the constitution? Do you want total review, or do you want something less than that? We in this party are quite clear in our answer to that question: we want total review. That does not mean, of course, total change. It does not mean that we have to jettison everything we now have. But in the sense that we do want to look at the whole picture and not at part of the picture, we stand for total review.

Sometimes people downgrade the importance of constitutional discussion. They say that we should be worried about bread and butter issues. No issue is more deeply concerned with bread and butter matters than a constitution, even though it is often framed in legalistic terms. It not only defines the powers and responsibilities of government but determines whether government can function effectively and do the tasks which the people elected them as servants of the people to do. Therefore, the constitution, which is the fundamental law governing and directing all the other activities of governments, is a matter of supreme importance.

Another matter that I think we must never forget is that a constitution has educational and should have inspirational value. It should be a document of which Canadians can be proud, to which they can look as a succinct statement of their aspirations and purposes in the formulation of a federation. While I do not for a minute doubt that the Fathers of Confederation and the drafters of the British North America Act, which is our present constitution as amended, did an excellent job in 1867, the fact remains that the constitution then drafted, even though since amended, is now antiquated, inadequate, obsolete and uninspiring. I think I could justify each one of those adjectives.

For this reason it is necessary for us to look at the constitution from beginning to end in order to make it an expression of Canadian thinking and of Canadian partnership, if I may use that expression, which is appropriate to the present time.

One aspect that was discussed at the constitutional conference was the entrenchment of a charter of human rights in our constitution. I want to bring the enthusiastic support of this party to that proposition. There are basic political rights that should be protected by parliament and by legislatures. It is no good saying that we can depend on commonsense, that we can depend upon our parliament and legislatures. The plain fact of the matter is that we are human beings, and under the stress of certain emergencies parliament and legislatures sometimes do foolish things. I do not have time to go into them but they are things which, though well intentioned, may cut into the basic human rights of individuals. There is no reason in the world why we should be afraid of the sober second thoughts resulting from any examination the Supreme Court might make of the fundamental law laid down in the constitution. Therefore, I most earnestly hope that those governments which perhaps have misunderstood the purpose of this charter of human rights, as constitutionally entrenched, will take a second look at the matter and agree that all Canadians should be protected by such a charter, which ought to be part of their constitution.

• (4:40 p.m.)

We take a similar view with regard to language rights. Those rights are set out in the report of the Royal Commission on Bilingualism and Biculturalism. The proposed amendment to the British North America Act which would enlarge and clarify basic language rights is an act of simple justice. It should be included in our constitution, and we give it our full support.

The time has come for me, in this part of my speech, to talk of the most important issue confronting any federation, the question

of the distribution of powers and resources between the central and local or provincial governments. We must review that. In the case of Canada, this review must include a review of spending powers. The federal government repeatedly has intruded into spheres that ought to come under provincial jurisdiction. A times, it has seemed that the central government has exercised excessive power, and it might be beneficial if this matter were examined. It seems to me that the basic task which confronts the continuing committee, this parliament and all those concerned about this matter, is a review of the main functions of government, and what government can do as the servant of the people, about housing, pollution, health and the 101 other things with which governments deal. We must review those functions and determine whether those functions are most effectively carried out at the federal or provincial level or in co-operation between the two levels.

Some aspects of government obviously come under one heading. Defence, obviously, comes under the federal government, and is an aspect of international affairs. Most, if not all, aspects of international affairs come under the federal government. The field of education, in a bilingual country like this, may come under other levels of government. Some aspects of our national life will come under the domination of a variety of powers and governments. All these government activities must be reviewed and looked at. But the rub will come when it is found that there are different points of view in different parts of the country in respect of this matter. I think there are excellent historical and other reasons why a province like Quebec, representing a special culture, a distinct language and different background, should want a degree of decentralization in order to control certain aspects of its own life which do not come into play in the rest of Canada. We must evolve a constitution which respects the right of the people in Quebec to say, "We want to protect our own culture and rights by having legislative jurisdiction over certain social matters." But at the same time we do not want to deprive the other provinces of the opportunity to work together on a national scale in order to carry out some purposes they may think are important.

It is for these reasons that we in this party have spoken about a special status for Quebec. It is not that we want special privileges for one province, namely, Quebec. Rather, we put forward our views because we recognize there are different requirements and needs in different parts of the country. We are not dogmatic. We do not contend we have all the answers.

I suggest that the rub will come when we get down to cases and talk about the distribution of powers and distribution of money. It is high time we got on with the job. I agree with what the Prime Minister said this morning, that delegation of responsibility or power, whether from the federal to provincial or provincial to federal governments, is not the answer. Nevertheless the concept of delegation must be examined. Rights or powers that can be acquired by delegation and then withdrawn are not good enough. Such a system does not work. Any system of delegation must be flexible if it is to meet our needs. Above all we must avoid rigidity, since with rigidity our federation will not work.

In this party we do not stand for any hard and fast solutions. I do not know whether the Prime Minister was being rhetorical when he asked us to explain our beliefs to him in this relatively short debate. We have ideas. We have looked into the matter and feel we can contribute to the solution of our problems. But we are not giving out any hard and fast solutions at present.

I submit that there is an urgent need to set up this parliamentary committee which has been mentioned. I, for one, have been urging the establishment of this committee as long as I have been a member of the house. I corresponded with the former prime minister and talked to him about it. He was always in favour of it, but the time was never opportune. He agreed it was a suitable idea, and good that Members of Parliament should discuss among themselves in committee these problems; he also said the committee should be set up at a timely moment. I say that no moment is more timely than the present. Specific issues could be referred to that committee, and discussions with all levels of government could be held.

I conclude by saying that I believe nowhere is the duty of discussing changes to our constitution greater than it is in parliament. This parliament is a representative body of Canadians and there is no other equally representative body of Canadians. Not only are we representative in the sense we are elected to represent our people; but we come from every region, from every background and profession, and from every social level, as it were. If we, in this chamber cannot,

through our committee, work out a real contribution to our country's constitutional problems, I wonder who can. Where can those problems be worked out? It is wrong to say you could work out problems in watertight compartments, or in caucus only. Of course, you could tackle it that way, but we think that those discussions should take place here, where members of our committee could make constructive suggestions. I am not saying we must agree with each other; it is unlikely that we shall agree. But I am sure that if we disagree, as we are bound to, we shall disagree on a higher level, as it were, than others in this country could. We could disagree having available to us a great deal of knowledge which may not be available to others.

Confederation was forged by ordinary, elected members, similar to those in this chamber. They were the ones, and not the academics, the scholars, civil servants or bureaucrats in the London colonial office, who worked out our constitution. It is our job, whether we are in opposition or in government, to contribute to this process of constitution making. I therefore hope the government will set up the committee as quickly as possible and give it a large measure of responsibility in this matter.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I appreciate the opportunity to participate in this debate on our nation's constitution. I was surprised and disappointed to hear the Prime Minister (Mr. Trudeau) say that he did not think the position of the party to which I have the honour to belong in respect of the monarchy was clear. I submit he cannot point to a single policy of this party that would have the effect of removing or weakening that institution.

Some hon. Members: Hear, hear.

Mr. Schumacher: This position can be contrasted with the actions of his government in downgrading the monarchy at every opportunity. For example, I am referring to matters such as omitting all reference to the monarchy in the throne speech, stopping ceremonial salutes to the royal family and to the Prime Minister's statement that he does not believe in attacking symbols important to other people. What other meaning can be attached to that statement than that the symbols of the monarchy are completely unimportant to him.

With respect to the Prime Minister's comment about two nations, I wonder whether he has now forgotten ordering the withdrawal of a Liberal party advertisement at Calgary, an advertisement which accused this party of supporting a two nation policy. That was last June.

• (4:50 p.m.)

The first point that springs to my mind in this debate has to do with the procedure for amending our constitution. Over the past several years there has been a great deal of effort spent on attempting to arrive at a method of changing our constitution. In spite of all this effort, no agreement has been reached. Surely, the basic ingredient of any constitution, if it is to be a living document, is an amending procedure. Until this problem is solved, how are we going to achieve a new constitution even if all other points are agreed upon? Surely, no one would be so short-sighted as to accept a constitution which, no matter how perfect it might be now, would be frozen forever more?

My second point is whether what the nation witnessed earlier this week was not just so much window dressing, or a vehicle to titillate the Prime Minister's (Mr. Trudeau) academic propensities. In other words, to put it bluntly, do we really need a new constitution?

Our constitution is the product of several hundreds of years of experience and I submit should only be dismantled or changed with care. The present debate in the country on the subject of our constitution seems to be based to a large extent on the principle that it should be changed for the sake of change, and that after we change the constitution many of our problems will be solved. As a result, a great many expectations have been raised which cannot be satisfied by a new constitution, even if it were written by that person often referred to by the Prime Minister as the "Holy Ghost" himself. To my mind, the Prime Minister is using this entire constitutional question as a smokescreen to cover his government's lack of executive action in meeting the real problems of today.

No one has successfully demonstrated, as far as I am concerned, that the present constitution is holding up social advances. I would like someone to name one social change that could not be achieved because of our present constitution. It is also well to remember that this country fought two world wars and a world depression which resulted in vast social changes under our present constitution. How can it be said to be inflexible?

In this connection, during World War II the provinces turned over their entire tax

sources to the federal government under a tax rental agreement. The provinces were able to operate on that basis, allowing the country to participate in the war. Our constitution is only as inflexible as the parties to it. It has been the attitude of the federal government over the past few years which has made the constitution appear inflexible and worse than it really is. What is lacking today is political consensus between the federal and provincial governments, and no amount of fine draftsmanship or high flown phrases will cure that problem.

I am opposed to entrenching civil rights in a written constitution because then we would have a transfer of policy roles from the legislative branch of our government to the judicial. I submit that our courts are not equipped for this role and in many instances the United States Supreme Court has demonstrated the weakness of this theory. Some countries seem to have shown a propensity to change their constitutions with regularity once the first step has been taken. Examples which come to mind quickly are Venezuela, Greece and France. These examples demonstrate, I think, evidence of national disintegration rather than virility.

In summary, Mr. Speaker, I would say the problems facing the nation today, irrespective of the efforts of the continuing constitutional conference, are and remain, inflation, housing, Indian affairs, agricultural marketing and regional economic disparity. No amount of constitutional manipulation will produce the political consensus necessary for the solution of these problems.

It is refreshing to hear the Prime Minister say there will be no more medicare programs. What I cannot understand is, if he recognizes this program to be a mistake, why he persists in perpetuating it.

In my opinion, if the federal government would put its own constitutional and fiscal houses in order, the pressures would be reduced. Then, real progress could be made in first determining how we want to amend our constitution and, secondly, in determining what changes are really necessary for the prosperity and happiness of our citizens.

[*Translation*]

Mr. André Fortin (Lotbinière) Mr. Speaker, we are no longer Frenchmen from France, nor Englishmen from England. We are Canadians living in Canada, and we are proud to do so. Canada, as such, is 100 years old. But long before 1867, the territory now known as Canada was peopled by Frenchmen coming from France and, soon after, by Anglo-Saxons.

Slowly, a cultural and linguistic duality grew, committing the two founding peoples to a perpetual duality, unless one or the other disappeared. In this regard, it seems that the English element does not want to disappear, no more than the French element. The new Canadians, who left their country of origin to settle in Canada, must also be taken into account.

The duality of a country such as Canada manifests itself through the respect of the two elements, the French and the English.

After 100 years of confederation, Mr. Speaker, Canada must face the vital necessity, the moral obligation, of taking stock of itself, and finding its place in the modern world behind which we often trail.

From here on, we must shape Canada as we want it and not as it would be imposed upon us; not by starting everything from scratch, by rejecting the past, but in an essentially positive perspective, turned towards the future, towards progress.

The past no longer belongs to us and the present is fleeting. We must build the future of this country, of our fellow-citizens and our own, because the future and the economic progress of our fellow-citizens alone can gratify our needs and our hopes. Mr. Speaker, may I call it four o'clock?

An hon. Member: It is five o'clock.

Mr. Fortin: Mr. Speaker, may I point out that it is "four" o'clock?

[*English*]

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

HOUSE OF COMMONS

Monday, February 17, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

POST OFFICE DEPARTMENT

STATEMENT BY MINISTER ON FIVE DAY DELIVERY

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I would like to make on motions a short statement on a subject in which a great many members have expressed an interest. As of today the five day post office delivery week and the new method of sortation and delivery known as single mail processing go into effect.

As hon. members know, there have been in recent weeks continuous discussions between the unions and departmental officials over these steps. Differences between the two sides have been essentially resolved. According to the latest information available to me there will be no strike, no work stoppage, and no work to rule organized by the unions.

[*Translation*]

The new system will make it possible to save $13 million. It will also result in the abolition of 2,084 jobs. In spite of that, there will be no lay-offs. All those concerned will be kept in the service either by eliminating supernumerary or temporary employment, or by transfers, or by filling vacancies already existing.

There is in that conflict a point about which I am still concerned. A number of the grievances come not only from a disagreement but from more or less wilful misunderstandings. Although it has been asserted that postmen would have to eat cold meals along their route, the department has always intended, and that has now been accepted, to provide postmen, according to their choice, with free transportation home, to the post-office or to another place along their route. Moreover, we have abolished the old rule stipulating that postmen cannot be assigned to an itinerary in the neighbourhood where they live. That measure will therefore enable postmen who wish it to have lunch at home.

• (2:10 p.m.)

[*English*]

As a result of such misunderstanding it has become apparent that, given the department's size—there are some 48,000 post office employees spread coast to coast among about 8,000 localities—a comprehensive and accurate system of internal information between employees and management is urgently needed. This problem, I can assure hon. members, is being given serious and urgent study.

In conclusion I would like to say a word of praise to both the officials of the department and to the employees, in particular to the employees who have displayed a sense of pride in public service. I believe this represents a significant step forward in the improvement of labour-management relations from the low point described by Mr. Justice Montpetit in his report of two years ago, and continues the improvement described by Judge Montpetit in his review published last week.

Mr. Heath Macquarrie (Hillsborough): I should like to say, Mr. Speaker, that I am appreciative of the courtesy shown by the minister in making available to me the text of the remarks he has just made. I cannot in all candour say I am blinded by the brilliance or overcome by the novelty of the statement which has been made. I would look upon it as a hopeful expression of things to come; and a hope that certain other things will not come.

For many weeks I have had the feeling that this so-called single mail processing and the partial five day week were not sufficiently prepared by the minister; otherwise, there would not have been the threats, anxiety and disquiet which have pervaded the Canadian public as a result of statements made by the representatives of some of the workers. We are somewhat disturbed by the fact that the country has been divided into a state where some are on six deliveries and some on five. It will be quite a process to sort out, and provide equitable, fair and efficient postal service to all Canadians.

I note the minister's reference to savings of $13 million, and his reiteration that there will be no reduction in the number of jobs. This is a point on which certain very interested people disagree with him. If he can accomplish a saving of $13 million, keep the mail moving as rapidly as before the five day service was introduced, and avoid any lay-offs, it will be one of the greatest examples of eating one's cake and having it, too, that mankind has seen for very many years.

I wish the hon. gentleman well, I hope no unduly disturbing meaning should be read into the expression "differences between two sides have been essentially resolved". The reports I read in the press from parties concerned and from representatives of the workers cause me to give that word "essentially" a good deal of emotional loading, to use a literary expression. It is extremely important that in the face of drastic increases in rates there should be no diminution in service. If as a result of changes which have been only partially planned and arranged, the Canadian people suffer a diminution in service, I am sure the minister will hear about it.

So often has it happened in the past, especially in the instance of the last general strike, that at ministerial and departmental levels there seemed to have been no adequate preparation. Here we have drastic changes which do not appear to have been adequately arranged and discussed before implementation. I can only hope the optimism the minister has expressed will be borne out in the event.

Mr. David Lewis (York South): Mr. Speaker, like the hon. member for Hillsborough (Mr. Macquarrie) I noticed the qualification in the minister's statement that the differences have essentially been resolved. The fact, as I am sure the minister knows, is that a large number of the employees affected are still not satisfied, and that the unions are quite convinced that the differences have not been resolved to the satisfaction of the employees of the post office.

Let me say to the minister that, as I have watched his performance on this question over the weeks, it has seemed to me that he carried his decision through in a rather ruthless way, in a way with which an employer concerned with profit making rather than with service to the Canadian people is usually associated. The minister should have learned by now that if he is going to make this kind of change the unions and employees should be consulted before he makes up his mind, instead of making up his mind, announcing the policy and then trying to persuade the unions to accept it.

When the minister says he has heard that there will not be any strikes, slowdowns or work to rule, let me tell him that this is not the result of anything that he has done, but the sole result of the sense of responsibility of the leaders of these unions that are giving essential service to the Canadian people. It is no thanks to him that there is no interruption of mail delivery at the present time.

It seems to me that when the Minister of Labour (Mr. Mackasey) this morning assured the representatives of the Canadian Labour Congress, as he has assured this house on previous occasions, that he believes in the principle of the Freedman report that we will not have any changes in work load or work function without consultation and without the unions having some say, this is one government undertaking of great importance where that principle could and should have been introduced by the minister himself.

I share the hopes of the hon. member for Hillsborough that the minister's optimism will be realized, and I merely make two brief comments in conclusion. I understand there has been an increase in the rates for rural postal boxes, and there has been an immense increase in the rates for non-profit publications, to which objection has been taken right across the country and again voiced this morning. While the minister may be able to save some money—though this still remains to be seen—I suggest to him that his performance in all these areas has made a good many of us very leery about the kind of operation he is now heading.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, several reports have been coming to us for some time to the effect that postal employees are considering the possibility of a work stoppage because of misunderstandings with the Post Office Department.

In view of that situation, Mr. Speaker, and having now looked into the minister's statement, I shall make three comments.

First of all, the new regulations have been inadequately explained by the department to the public as well as to the employees themselves.

Then, the new work programs are inadequately prepared. That is why we are facing an urgent situation, partly due to those new regulations.

Moreover, I would like to comment briefly on the lack of harmony in labour-management relations on the levels of information and of dialogue.

According to the Postmaster General (Mr. Kierans), such dissatisfaction on the part of postal employees is due to the lack of information given by the department about the new regulations and their implications.

I do not want to discuss now the value of the regulations, though I still object to some of them, especially at the rural level, but it is a fact that social communications and objective information between the management of the Post Office Department and the employees have been broken off for too long for unknown reasons.

Mr. Speaker, not only would it be advisable but it would also be important that the department consider setting up an efficient service directed by experts in social relations and information. Such a service could be operated according to the well-known and efficient method of "social animation" for employees as well as for management.

In the labour world, Mr. Speaker, what strikes us every day are the conflicts between management and labour. Several facts indicate how the harmonious relations between both parties have deteriorated.

In this connection the department should set the example and show the way to more harmonious relations by allowing the workers to be more than mere numbers or slaves and the employer to be more humane.

• (2:20 p.m.)

Moreover, working conditions and standards, wages, labour contracts should be the subject of free discussion, under the leadership of a special social animation service, the responsibility of which would be to promote to the maximum the establishment of harmonious relations between management and labour, while giving complete, objective and accurate information to employees, in order that they may be in a position to understand better their own working conditions and to get on well among themselves.

With all the available means of social communication, Mr. Speaker, the present conditions are unacceptable. And the most responsible party in those circumstances is the Post Office Department which is still operated according to out-of-date administrative concepts which tend to keep at a minimum contacts and even discussions, between management and labour.

In my opinion, those administrative concepts are outmoded, and the department would certainly do well if it innovated in the field of information and dialogue with its employees. The minister tried to tell us today that there is really no danger of a strike or work stoppage, but we remain convinced that there is such a risk. At the moment, the Post Office employees multiply their meetings, and rightly so.

Mr. Speaker, we hope the minister will take the necessary steps to prevent another conflict, because considering the evasive statement that he has just made, we still do not know what practical measures he proposes to take.

[*English*]

STATUTORY INSTRUMENTS

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. Mark MacGuigan (Windsor-Walkerville) moved that the second report of the Special Committee on Statutory Instruments, presented to the house on Friday, February 14, 1969 be concurred in.

Motion agreed to.

NATIONAL LIBRARY ACT

MEASURE RESPECTING ADMINISTRATION, POWERS OF LIBRARIAN, ETC.

Hon. Donald S. Macdonald (for the Secretary of State) moved that Bill C-171, respecting the National Library, be read a first time and printed.

Motion agreed to, bill read the first time and ordered to be printed.

FINANCIAL ADMINISTRATION ACT

AMENDMENTS DEFINING VARIOUS TERMS AND AUTHORIZING THE EXERCISE OF POWERS

Hon. Donald S. Macdonald (for the President of the Treasury Board) moved that bill C-172, to amend the Financial Administration Act be read a first time and printed.

Motion agreed to, bill read a first time and ordered to be printed.

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

An hon. Member: At the next sitting of the house.

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

Right Hon. P. E. Trudeau (Prime Minister) moved that Bill C-173, an act respecting the organization of the Government of Canada and matters relating or incidental thereto, be now read the first time and be printed.

Motion agreed to, bill read the first time and ordered to be printed.

Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PUBLIC SERVICE PENSION ADJUSTMENT ACT

Question No. 851—**Mr. Knowles (Winnipeg North Centre):**

1. In each year since the Public Service Pension Adjustment Act of 1959 was passed, how many persons have received payments thereunder?

2. In each of the above years, what was the total amount paid out under the said Act?

3. In each of the above years, what was the average amount paid under the said Act (a) to retired public servants (b) to widows (c) to others?

4. In each of the last five years, either calendar or financial, for which statistics are available, how many pensions under the Public Service Superannuation Act (a) to retired public servants (b) to widows of public servants or widows of retired public servants, have been discontinued because of the death of the superannuate?

Hon. E. J. Benson (Minister of Finance): 1. In each year since the Public Service Pension Adjustment Act of 1959 was passed, the number of persons who have received payments thereunder are as follows:

	Public Service	Armed Forces	R.C.M.P.
1959-60	14,311	2,657	575
1960-61	13,885	2,573	560
1961-62	12,553	2,496	540
1962-63	11,709	2,416	517
1963-64	10,852	2,325	484
1964-65	10,077	2,234	459
1965-66	9,078	2,157	433
1966-67	8,162	2,084	412
1967-68	7,483	2,003	395

2. In each of the foregoing years, the total amount paid out under the Public Service Pension Adjustment Act is as follows:

	$
1959-60 (including payments made under Vote 667 of Finance Appropriation Act No. 5, 1958)	3,112,231
1960-61	2,956,515
1961-62	2,817,263
1962-63	2,657,706
1963-64	2,504,503
1964-65	2,344,711
1965-66	2,236,212
1966-67	2,038,329
1967-68	1,905,478

[Mr. Trudeau.]

3. In each of the foregoing years, the average amount paid under the Public Service Pension Adjustment Act was as follows:

(a) to	Retired public servants $	Retired members of the armed forces $	Retired members of the R.C.M.P. $
1959-60	208.72	298.36	276.39
1960-61	202.43	298.37	272.88
1961-62	212.01	300.82	274.41
1962-63	212.66	300.68	270.68
1963-64	210.26	302.33	274.39
1964-65	210.94	269.80	271.82
1965-66	223.03	291.26	265.56
1966-67	220.52	290.23	264.71
1967-68	222.27	291.76	260.79

(b) to	Widows of public servants $	Widows of members of the armed forces $	Widows of members of the R.C.M.P. $
1959-60	108.88	181.32	205.31
1960-61	105.42	181.44	205.37
1961-62	111.92	183.36	208.46
1962-63	113.59	180.48	210.17
1963-64	115.75	184.93	211.78
1964-65	118.08	186.90	209.29
1965-66	126.69	191.12	210.17
1966-67	125.64	190.61	197.08
1967-68	128.27	190.54	195.16

(c) to	Children of public servants $	Children of Members of the armed forces $	Children of Members of the R.C.M.P.
1959-60	9.32	11.22	Nil
1960-61	8.79	11.27	Nil
1961-62	8.35	11.31	Nil
1962-63	9.06	11.33	Nil
1963-64	8.00	Nil	Nil
1964-65	8.19	Nil	Nil
1965-66	9.13	Nil	Nil
1966-67	8.93	Nil	Nil
1967-68	10.11	Nil	Nil

4. In each of the last 5 fiscal years, the number of pensions paid under the Public Service Superannuation Act which have been discontinued because of the death of the recipient are as follows: (a) to retired public servants: 1963-64, 1025; 1964-65, 1420; 1965-66, 1489; 1966-67, 1523; 1967-68, 1572. (b) to

widows of public servants or retired public servants: 1963-64, 351; 1964-65, 375; 1965-66, 382; 1966-67, 508; 1967-68, 503.

DISPOSAL OF RED ENSIGNS

Question No. 1,036—**Mr. Coates:**

1. Does the federal government have in its possession or in the possession of any of its Crown Corporations Red Ensigns and, if so, in whose possession are the Red Ensigns at the present time?

2. Is it the intention of the federal government to sell or in any other manner dispose of these Red Ensigns and, if so, what is the federal government's intention in this regard?

Hon. Arthur Laing (Minister of Public Works): 1. Remaining stocks of Red Ensigns are in the possession of the Department of Public Works.

2. Stocks will be reduced progressively as the demand for flags from worthy organizations is filled.

SUBSIDY PAYMENTS IN DESIGNATED AREAS

Question No. 1,131—**Mr. Lambert (Bellechasse):**

1. What was the total amount paid to date in subsidies under the Act to provide incentives for the development of industrial employment opportunities in designated areas in Canada?

2. What were the total amounts approved and paid in the Province of Quebec?

3. What were the total amounts approved and paid to companies owned by French-Canadians in the Province of Quebec?

4. Is Domtar considered to be a Quebec company?

5. Which Quebec companies have been subsidized under this Act and what was the total amount paid in each case?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): 1. $29,932,366.90 to November 30, 1968.

2. (a) Committed: $54,010,350.00; (b) Paid: $7,906,764.76.

3. The ownership of companies is not recorded on such a basis. The amount paid to companies which have head offices in the Province of Quebec is $7,128,582.90.

4. Domtar is a federally incorporated company.

5.	$
Laiterie Dolbeau Ltée	8,245.69
Meunerie St-Frédéric Ltée	18,762.28
Cascade Plastics Ltd.	14,560.20
Chaîne Co-opérative du Saguenay	79,501.79
La Ferme de la Poulette Grise Incorporée	32,568.55
Abattoir de St-Félicien Ltée	17,700,29
Société Co-opérative Agricole de St-Jérôme	11,151.33
Joseph Elie Maltais	19,062.33
St-Georges Carpet Mills Ltd.	32,000.00
Brookville Industrie Inc.	18,503.91
St-Joseph Manufacturing Co. Ltd.	39,772.30
Chaudiere Chipping Center Inc.	8,000.00
Les Industries Rancourt Limitée	54,666.67
A. Coutourier & Fils Limitée	58,887.73
Red Skin Lumber	6,283.39
Jos. Houde Limitée	66,673.50
La Compagnie Eagle Lumber Limitée	55,295.50
Le Meuble Cascade Inc.	6,297.53
Les Meubles Carrier Inc.	4,328.10
Atelier de Matane Inc.	53,414.23
Consolidated Paper Corporation Ltd.	3,000,000.00
Rousseau Metal Inc.	1,466.90
Atelier Mécanique d'Alma Ltée	6,982.46
Céramique de Beauce Association Co-opérative	45,877.13
Beebe Granite Works Limited	9,015.89
Provincial Industries Limited	63,989.60
Chem-Organic Fertilizers Ltd.	57,627.68
Electrical Manufacturing Company Limited	26,545.34
Les Produits de Béton Rimouski Inc.	11,468.91
Tex-El Inc.	13,335.72
Bérion Inc.	12,000.00
Les Presses Lithographiques (1965) Inc.	35,800.29
Megantic Manufacturing Company	22,458.49
Laberge & Frère (St-Prime) Inc.	5,718.60
The Valley Shoe Co. Inc.	2,331.34
Precision C. Inc.	900.00
Industries Bouchard Inc.	47,571.43
L'Abattoir Bellechasse-Dorchester Inc.	32,173.58
Iréné Thibault Inc.	12,527.20
Cie Bois Héroux Ltée	45,782.16
Quebec United Fishermen	231,151.06
Spécialités Dionne	13,500.00
Henri Bonneville & Fils Inc.	2,807.30
St-Georges Metal Inc.	4,764.65
St-George Shoe Co. Ltd.	8,173.57
Marcel Bérard Limitée	40,000.00
Elpée Inc.	60,000.00
Avirons du Canada	126.30

Questions

	$
James Richardson Company (Limited)	34,060.03
Abattoir Gérard Inc.	33,503.80
Raoul Duchesne	4,923.90
Les Meubles de St-Barthélémy Ltée	246,155.89
Jos. Poitras & Fils Limitée	11,592.26
Arlen Mills Inc.	10,800.00
Canadian International Paper Company	208,985.00
Canadian International Paper Company	1,578,188.00
Waldes (Canada) Ltd.	41,174.24
Bastos du Canada	287,947.88
Montreal Casein Company Ltd.	251,480.98
	$ 7,128,582.90

[*English*]

CANADIAN NATIONAL HOCKEY TEAM

Question No. 1,135—**Mr. Forrestall:**

1. Will the proposed national hockey team be financed from the National Fitness Fund?

2. How much money was budgeted for this Fund for 1968-69 operations?

3. What balance remained in the NFF as of December 15?

4. How were NFF funds spent in 1968?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Partly.

2. $4,000,000.

3. $2,109,120. Commitments already made and to be met by March 31, 1969, will require all the funds available.

4. From April 1, 1968 to December 15, 1968 expenditures were as follows:

Grants to Associations	$1,061,228
Grants to Provinces	224,652
Post Graduate Scholarships & Fellowships	132,805
Grants for Research	163,443
Multiple Games	127,396
Information and educational materials and other Federal Services	147,993
Task Force on Sports for Canadians	33,363
	$1,890,880

NOVA SCOTIA—UNEMPLOYMENT INSURANCE ASSISTANTS

Question 1,144—**Mr. Coates:**

1. How many part-time assistants have been hired by the Unemployment Insurance Commission in the Province of Nova Scotia to assist claimants in the preparation of their claims for benefits?

[Mr. Honey.]

2. What are the names, addresses and occupations of the individuals selected for this part-time employment, how were they selected and what arrangement has been made for payment of the services rendered?

3. What has been the total number of claims processed by these part-time assistants to date and what has been the total cost to the Unemployment Insurance Commission for this service to date?

Hon. Bryce S. Mackasey (Minister of Labour): I am informed by the Unemployment Insurance Commission that: 1. There are at present 14 part-time assistants (usually designated as UIC agents) in the Province of Nova Scotia to assist claimants in the preparation of their claims for benefits.

2. Their names, addresses and occupations appear on the list hereafter given.

The appointments are made by the Unemployment Insurance Commission upon the recommendation of the local offices. Selection criteria for agents may be summed up as follows: evidence of good judgment, integrity, availability and ability to express oneself easily. Moreover, candidates must have at their disposal quarters suitable for interviewing claimants and not be claimants.

Upon appointment, agents are entitled to a total amount of $1.50 for each claim and under no circumstances can they accept any further consideration or tip.

3. During the fiscal year 1967-68, 76,245 claims throughout Canada and 6,144 in Nova Scotia have been processed.

The total cost has been $76,245 for the whole of Canada and $6,144 for the Province of Nova Scotia.

For the fiscal year 1968-69, up to December 31, 1968, the cost for this service has been $42,943 for the whole of Canada and $4,946 for Nova Scotia.

Mrs. Russell Decker, Lockeport, N.S.; Mr. George Henderson, Lunenburg, N.S., owner of an insurance agency; Mrs. Arnold Spears, Sheet Harbour, N.S.; Mrs. John Doran, 66 Stannus Street, P.O. Box 914, Windsor, N.S.; Mr. A. D. Cameron, Antigonish, N.S.; sheriff; Mrs. Margaret Timmons, Canso, N.S.; Mr. Walter MacDonald, Guysboro, N.S., bookkeeper; Mr. James L. Pyle, Mulgrave, N.S.; Mrs. Elsie Sangster, New Harbour, N.S.; Mrs. Winnifred Baillie, Pictou, N.S.; general insurance agency; Mr. J. Harvey Taylor, Jr., Port Bickerton, N.S.; Mr. Charles Sarson, McFarlane Street, Springhill, N.S., grocery store owner; Mr. Alex Cameron, Amherst, N.S., barber; Mr. Delbert L. Forrest, Digby, N.S.

NOVA SCOTIA COAL

Question No. 1,185—**Mr. Robinson:**

1. What is the cost per ton of coal production in Nova Scotia?

2. What subsidy is paid per ton by the federal government for coal produced in Nova Scotia?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): 1. The latest available information for all Nova Scotia coal mines is the annual survey of the Dominion Coal Board for 1967. This report indicates that the average total cost per ton for the production and distribution of Nova Scotia coal in 1967 was $13.98.

2. Nil since April 1, 1968.

C.B.C. EXPENSES DURING MEXICO OLYMPIC GAMES

Question No. 1,201—**Mr. Matte:**

1. What are the exact details of the expenses incurred by the Canadian Broadcasting Corporation during the Olympic Games in Mexico?

2. What amount was spent by the English network?

3. What amount was spent by the French network?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. See replies to Questions 574, 605 and 925, Hansard No. 71, pages 4290-91 and 4300-01 which outline the expenses incurred in connection with CBC coverage of the Olympic Games. It has not been customary to require the Corporation to disclose individual program costs in greater detail than presented in these previous replies.

2. and 3. CBC coverage of the Olympic Games was a combined network operation from which a special production team was assembled to serve both CBC English and French radio and television networks and International Service. The expenses were the responsibility of this special production unit and not English and French network sports departments.

STANDARD OF AUTOMOBILE SERVICE CONTRACT

Question No. 1,203—**Mr. Robinson:**

1. Is the federal government taking any steps to require automobile manufacturers to provide a service contract for their product requiring a standard acceptable to government regulations?

2. Will the government take any steps to ensure that warranty and guarantees provided by the manufacturer are sufficient to cover the total vehicle and not just certain parts?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. No regulations have been established by the federal government with respect to service contracts for motor vehicles.

2. It is understood that the major automobile manufacturers offer warranties covering automobiles for 12 months or 12,000 miles whichever comes first. This covers all vehicle defects except the tires which are covered by separate warranties of the tire manufacturers. Supplementary warranties are offered for 5 years or 50,000 miles on the power train subject to specified conditions. The studies of automobile repair and warranty problems now being conducted by the U.S. Senate and the Federal Trade Commission are being followed but until the results of these studies are known no decision concerning appropriate action in Canada will be taken.

SAVINGS BONDS SALES IN QUEBEC

Question No. 1,216—**Mr. Matte:**

1. What was the total amount of Canada Savings Bonds sold in the Province of Quebec from 1960 to 1968 inclusive and since January 1, 1969?

2. What was the total amount of the Bonds redeemed in each of these years?

Hon. E. J. Benson (Minister of Finance): 1. Exclusive of sales made through the Payroll Savings Plan to personnel of the Public Service, armed forces, railways, chartered banks and establishments covered by mail, for which no regional sales breakdown is available, the estimated amount of Canada Savings Bonds sold in the Province of Quebec from 1960 to 1968 inclusive was:

Calendar Year	Sales ($ millions)
1960	190.5
1961	218.4
1962	335.0
1963	229.5
1964	226.1
1965	207.5
1966	409.0
1967	326.5
1968	690.1
Total	2,832.6

Information for January 1969 is not available.

Questions

2. The total amount of Canada Savings Bonds of all series redeemed through the Montreal Agency of the Bank of Canada in each of the years from 1960 to 1968 was as follows:

Calendar Year	Redemptions ($ millions)
1960	129.0
1961	127.6
1962	245.9
1963	205.9
1964	157.9
1965	172.7
1966	369.7
1967	256.9
1968	711.1
Total	2,376.7

CARDIGAN, P.E.I. POST OFFICE CLOSURES

Question No. 1,219—**Mr. McQuaid:**

1. How many Post Offices have been closed in the federal constituency of Cardigan since January 1, 1966?

2. Where are they located?

3. What were the reasons for the closure in each case?

4. As a result of these closures, how many people, either postmasters or rural carriers, were thrown out of employment?

5. What further post offices are scheduled to be closed in this constituency in the immediate future?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned. 1. Two.

2. Bear River, Hopefield.

3. Limited usefulness.

4. One postmaster and two rural couriers.

Note: The Bear River Post Office was closed on the 31st December 1968 to coincide with the retirement of the Postmaster. The Post Office at Hopefield was closed on the 31st January 1969 and this resulted in the release of the Postmaster. The discontinuance of Bear River Rural Route No. 1 and Hopefield Rural Route No. 1 resulted in the cancellation of the contract of the Rural Couriers.

5. In accordance with the policy to close smaller Revenue Post Offices, authority was granted recently to close the Post Offices at Annandale and St. Mary's Road. Further studies are being conducted with a view to closing additional Post Offices within the closing programme criteria but no decision has been made on any particular case as yet.

[Mr. Benson.]

STATUTORY ORDERS AND REGULATIONS

Question No. 1,234—**Mr. Fortin:**

1. Does the government intend to revise, in the near future, the Statutory Orders and Regulations (SOR)?

2. Is there a branch dealing with the SOR?

3. What steps are taken to ensure that the regulations passed are within the powers delegated by Parliament?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): 1. Yes.

2. Yes.

3. All Regulations that are published in Part II of the Canada Gazette are reviewed by the Legal Adviser to the Privy Council Office to ensure that they are within the powers delegated by Parliament.

"YUKON" AIRCRAFT OTTAWA-BRUSSELS FLIGHT

Question No. 1,240—**Mr. Coates:**

1. Were members of the RCAF required to remain at a hotel in Ottawa during the week of January 12 in connection with their duties with Air Transport Command in the flying of a Yukon Aircraft from Ottawa to Brussels?

2. Did this Yukon Aircraft carry any passengers from Ottawa to Brussels or on the return journey?

3. What was the purpose of the flight to Brussels?

4. What was the estimated cost to the federal government for the flight in question?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Yes, on the night of 13/14 January, as there was no suitable accommodation available at CFB Uplands.

2. Yes.

3. To airlift the Chief of Defence Staff and a party of military and civilian officials to the NATO meeting in Brussels. On return flight, to airlift the Minister of National Defence and a party of military and civilian officials returning to Ottawa from the NATO meeting. On both trips, those seats not occupied by the official party were made available to military personnel and their dependants authorized for such air transportation.

4. This Yukon Aircraft was operated within the authorized monthly flying schedule for Air Transport Command. On all such flights, the aircraft operating costs, pay and allowances, temporary duty costs of the crew are budgeted for annually, and the only extra cost for this particular flight was $2,200, which included temporary duty expenses for the crew in Ottawa and Brussels, in flight meals and landing fees at Brussels airport.

GREY-SIMCOE, ONT., POST OFFICE CLOSURES

Question No. 1,241—**Mr. Noble:**

How many post offices has the government closed and how many more does it propose to close in the constituency of Grey-Simcoe?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned—1. None. Studies are being conducted with a view to closing post offices within the closing program criteria but no decision has been made on any particular case as yet.

C.B.C.—TAPED CHRISTMAS GREETINGS

Question No. 1,243—**Mr. Crouse:**

1. Did Canadian Broadcasting Corporation personnel travel overseas prior to Christmas to tape Christmas greetings from service men and their families for transmission to relatives in Canada?

2. If so, what are the names of the Canadian Forces bases visited by the CBC, and the number of interviews?

3. With respect to the Atlantic Provinces, were all the interviews rebroadcast, and, if not, for what reason, and what particular ones were not given?

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC as follows: 1. No. However, a CBC concert party visited Alert, N.W.T., early in December to entertain Canadian troops. Twelve Christmas messages from servicemen for their families were taped and all were broadcast on the "On Stage" program December 22.

2. and 3. See 1. above.

CRITERIA APPLICABLE TO POST OFFICE CLOSURES

Question No. 1,262—**Mr. Beaudoin:**

1. How many post offices have been closed by the Post Office Department from 1965 to 1968 inclusive?

2. How many post offices were closed by the Post Office Department in each Quebec constituency and in each of the provinces?

3. Is the same criteria applied for closing post offices across Canada and, if not, in what manner does it differ?

Hon. Eric W. Kierans (Postmaster General): In so far as the Post Office Department is concerned: 1. 1,101.

2. (a) Because of changes in electoral districts, this information is not available by constituencies for the required period; (b) Number of post offices closed in each province in the years 1965 to 1968 inclusive: Newfoundland, 49; Prince Edward Island, 21; Nova Scotia, 141; New Brunswick, 96; Quebec, 181; Ontario, 175; Manitoba, 77; Saskatchewan, 147; Alberta, 132; British Columbia, 76; Yukon, 3; Northwest Territories, 3.

3. Yes.

HARMFUL EFFECTS OF PESTICIDES

Question No. 1,278—**Mr. Lambert (Bellechasse):**

1. Did the Department of National Health and Welfare ever have a study made on the possible harmful effects on human and animal health following the use of (a) pesticides, insecticides and fungicides, etc.? (b) following excessive use of chemical fertilizers for plants, vegetables, pastures, etc.?

2. If so, what was the result of that study?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1. (a) Yes; (b) No.

2. The Food and Drug Directorate has underway an extensive program of research on pesticides, including insecticides and fungicides. Certain insecticides containing phosphorus have been shown to produce skeletal abnormalities in chicken and duck embryos, but the amounts required to produce this effect are much higher than those found in foods sold in Canada. Other studies showed that small amounts of organochlorine insecticides are present in the body fat of Canadians. The levels of these substances are similar to those found in other countries and are not considered to be hazardous to health. Investigations are underway on the breakdown of insecticides and fungicides in plants used for food. Breakdown products have been detected, but the small amounts present do not pose a health hazard to the public.

The Food and Drug Directorate also carries out extensive monitoring of the Canadian food supply for pesticide residues. The results have shown that normal use of pesticides does not result in the presence of residues in foods in amounts which are considered a hazard to health.

[*English*]

SECRETARY OF STATE TRANSLATIONS BUREAU

Question No. 1,281—**Mr. Diefenbaker:**

1. How many persons are employed in the Translations Bureau of the Department of the Secretary of State?

2. Of these (a) how many are translators (b) how many are administrative personnel?

Questions

3. How many of these persons were recruited from foreign countries?

4. If any, from what countries were persons recruited, and how many from each country respectively?

Hon. Gérard Pelletier (Secretary of State): 1. 515 as at 1st February, 1969.

2. (a) 348, includes interpreters; (b) seven, one superintendent, one assistant superintendent, five directors.

3. 12.

4. 11 in France; one in Switzerland.

FEDERAL TRANS-CANADA HIGHWAY CONTRIBUTIONS

Question No. 1,292—**Mr. Lambert (Bellechasse):**

Since 1960, has the federal government contributed financially to the construction of the Trans-Canada Highway and, if so (a) what was the financial contribution of the federal government for the years 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968 (b) for work done in the Province of Quebec (c) what is the percentage of this contribution as compared to the total cost of the work?

Hon. Arthur Laing (Minister of Public Works): Yes,

(a)

Fiscal Year	Trans-Canada Highway Total Federal Contributions All Provinces
1960-61	$48.7 million
1961-62	36.5 "
1962-63	29.2 "
1963-64	39.2 "
1964-65	76.1 "
1965-66	83.4 "
1966-67	81.0 "
1967-68	64.7 "

(b)

Fiscal Year	Trans-Canada Highway Total Federal Contributions to Province of Quebec
1960-61	$ —
1961-62	2.7 million
1962-63	9.6 "
1963-64	8.0 "
1964-65	32.0 "
1965-66	33.5 "
1966-67	41.8 "
1967-68	22.1 "

(c) A considerable portion of the Trans-Canada Highway in the Province of Quebec is of multi-lane construction. Canada shares only in an equivalent two-lane facility and does not share the right-of-way acquisition costs. Therefore, the total cost to the province is not known to us and percentages cannot be struck.

[Mr. Diefenbaker.]

SUPPORT SHIPS H.M.C.S. "PROTECTOR" AND "PRESERVER"

Question No. 1305—**Mr. Dumont:**

1. How many companies submitted tenders in connection with the construction of the two operation support ships, the HMCS *Protector* and *Preserver*?

2. What was the amount of the tender accepted, what company submitted it and how does it compare to other tenders received?

3. What was the estimated cost of the two ships included in the original contract given to the successful bidder and did these prices include sales tax?

4. What are the prices of the contract at the present time?

5. If the prices have been increased, what factors contributed to their increase and what are the amounts involved?

6. What is the estimated price to be paid the bidder who was awarded the contract after the ships have been completed?

7. What were the delivery dates for each ship as stipulated in the contract, is there any change in these dates and, if so, what are the anticipated new delivery dates?

[*Translation*]

Hon. Donald C. Jamieson (Minister of Defence Production): 1. Two companies.

2. The contractor selected, Saint John Shipbuilding and Dry Dock Co. Ltd., tendered a price of $46,451,432.00 plus escalation on material. Davie Shipbuilding Co. Ltd. submitted a price of $51,784,475.00 plus escalation on material.

3. $47,618,486.00, federal sales tax included, for the two ships.

4. $50,186,650.00.

5. Factors contributing to increase: Design Changes $1,718,615.00; Federal Sales Tax $386,130.00; material for interior communication system $331,174.00; labour escalation $132,245.00.

6. It is not possible to state precisely the final amount to be paid the contractor as design changes could occur between now and final delivery especially during the period of trials. However, it is anticipated that the approved budget of $53 million will be maintained.

7. June and November, 1969. Dates have been changed to September, 1969, and February, 1970. It is anticipated the new delivery dates will be maintained or improved.

[*English*]

NEW BRUNSWICK—QUEBEC CORRIDOR ROAD

Question No. 1,313—**Mr. Coates:**

1. Is it the intention of the federal government through the Department of External Affairs or the Department of Transport, or both, to initiate discussion with the Government of the United States into the possible construction of a Corridor Road from the Province of New Brunswick to the Province of Quebec?

2. Have any discussions been held to date and, if so, on what date did such discussions first take place and between what departments in Canada and the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. No, not at the present time.

2. No.

CONTROLS ON AMPHETAMINE-TYPE STIMULANTS

Question No. 1,318—**Mr. Comeau:**

Did Canada refuse to support the efforts of Sweden to impose strict controls, through the United Nations Narcotics Commission, on amphetamine-type stimulants and, if so, for what reason?

Hon. John C. Munro (Minister of National Health and Welfare): No. On the contrary, the Swedish Delegation withdrew its resolution on this subject in favour of an alternative resolution spnsored by Canada, Federal Republic of Germany, France, Mexico, Peru, Switzerland, UAR, United Kingdom and the United States of America which was subsequently adopted by the Narcotic Commission. Canada's support of the Swedish efforts is reflected in the resolution that was adopted.

IMPORTS OF BOOTS AND SHOES FROM CZECHOSLOVAKIA

Question No. 1,320—**Mr. Lambert (Edmonton West):**

1. Did the Shoe Manufacturers' Association of Canada complain to the Department of National Revenue on March 7, 1968, and from time to time in the interval, concerning the importation in 1968 and earlier of leather work boots and shoes from Czechoslovakia and Poland at allegedly unfair prices which might constitute dumping?

2. If so, what action has been taken to investigate the validity of the complaints and with what results?

3. Has there been a determination that dumping has taken place and, if so (a) to what extent (b) what further action is thereby contemplated?

4. If the complaint of dumping has not been substantiated, what are the reasons for rejecting the complaint?

5. If no decision has yet been reached, when is one anticipated?

Hon. Jean-Pierre Côté (Minister of National Revenue): 1. Yes.

2. With respect to Czechoslovakia, investigation revealed undervaluation and values were established under section 38 of the Customs Act. This resulted in a decrease in importations. No action was taken against importations from Poland because of the small quantities involved.

3, 4 and 5. In addition to the above another complaint was recently received from the Shoe Manufacturers' Association of Canada in connection with leather boots and shoes for work and sports wear from Romania and Poland alleging injurious dumping. The complaint was accepted on February 4, 1969, and a formal investigation initiated under the new Anti-dumping Act.

REVENUE FROM BUILDING MATERIALS TAX

Question No. 1,340—**Mr. Latulippe:**

What was the revenue, by year and, by province of the federal 11 per cent tax on building materials?

Hon. Jean-Pierre Côté (Minister of National Revenue): Sales tax applicable to building materials is not segregated but is included in the total sales tax collected.

SOCIO-ECONOMIC STUDY OF NORTHWESTERN NEW BRUNSWICK

Question No. 1,356—**Mr. Corbin:**

Under the terms of an agreement with the Province of New Brunswick, what amount has the federal government contributed toward the cost of a socio-economic study by the Regional Development Council of northwestern New Brunswick for the years 1966-67-68?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to the Minister of Forestry and Rural Development): $28,690.20.

[*English*]

PLACEMENT OF MILITARY ATTACHÉS

Question No. 1,369—**Mr. Robinson:**

1. In what countries does Canada have a Military Attaché?

2. What is the rank of the senior Military Attaché in each country?

3. How many military personnel and/or civilian personnel are attached to the office of each Military Attaché?

4. What is the basic role and/or function of the Military Attaché in each country of attachment?

Questions

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Belgium, Cyprus, Czechoslovakia, Denmark (Canadian Forces Attaché resident in Oslo is cross-accredited to Denmark), Finland (Canadian Forces Attaché resident in Moscow is cross-accredited to Finland), France, Germany, Ghana, (also Commander Canadian Armed Forces Training Team—Ghana), Greece (Canadian Forces Attaché resident in Belgrade is cross-accredited to Greece), India, Iraq (Canadian Forces Attaché resident in Ankara is cross-accredited to Iraq), Israel, Italy, Japan, Jordan (Canadian Forces Attaché resident in Cairo is cross-accredited to Jordan), Lebanon (Canadian Forces Attaché resident in Cairo is cross-accredited to Lebanon), Luxembourg (Canadian Forces Attaché resident in Brussels is cross-accredited to Luxembourg), Nepal (Canadian Forces Attaché resident in New Delhi is cross-accredited to Nepal), Netherlands, Norway, Pakistan, Poland, Sweden, Sudan (Canadian Forces Attaché resident in Cairo is cross-accredited to Sudan), Turkey, U.A.R. U.S.S.R., Yugoslavia.

2. The rank of the senior Canadian Forces Attaché in each country is colonel, except in Belgium and Cyprus, where it is lieutenant colonel.

3.

Post	Total military	Total civilian
Belgium	1 clerk	1
Cyprus	1 clerk	1
Czechoslovakia	1 clerk	2
France	1 Assistant Canadian Forces Attaché 2 clerks	2
Germany	1 clerk	3
Ghana	1 clerk	1
India	1 clerk	1
Israel	1 clerk	2
Italy	1 clerk	2
Japan	1 clerk	2
Netherlands	1 clerk	2
Norway	1 clerk	2
Pakistan	1 clerk	1
Poland	1 clerk	2
Sweden	1 clerk	2
Turkey	1 clerk	2
U.A.R.	1 clerk	1
U.S.S.R.	2 L/Col Assistant Canadian Forces Attachés 3 clerks	4
Yugoslavia	1 clerk	2

[Mr. Robinson.]

4. The basic role of the Canadian Forces Attaché is to represent the Canadian Armed Forces, and to advise the head of post as appropriate on naval, military and air force matters in his country(ies) of accreditation.

MR. RALPH DENT—NATIONAL PAROLE BOARD

Question No. 1,376—**Mr. McQuaid:**

Was Mr. Ralph Dent appointed to the National Parole Board and, if so (a) what is the duration of his appointment (b) what salary will he receive and from what date will it commence (c) what are the qualifications for this position?

Hon. G. J. McIlraith (Solicitor General): He was appointed to the National Parole Board by P.C. 1968/2343 dated 20 December, 1968, (a) the duration of his appointment is 10 years; (b) $22,000 per annum from date of appointment; (c) Dr. Dent's qualifications for this position are: MA from University of Toronto (Psychology); PhD from Michigan State University in communications; two years experience as a clinical psychologist for Sunnybrook Hospital and the John Howard Society; Professor of Psychology at Acadia University and Dean of Men, six years; Professor of Psychology in adult education Ontario Agricultural College, six years. Directed graduate program in communications at La Molina University, Peru, two years. Author of several articles on communications and language learning courses. Sound judgment, good knowledge of people and related motivating forces.

ST. BENJAMIN, QUE.—POST OFFICE

Question No. 1380—**Mr. Rodrigue:**

Does the government intend to construct a post office in St-Benjamin, constituency of Beauce and, if so (a) have the calls for tender been issued (b) when will the work begin?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): No; this project was included in the winter work programme which has been cancelled. (a) and (b) Not applicable.

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

POVERTY—WORKERS' INCOMES

Question No. 636—**Mr. Fortin:**

1. How many workers in Canada earn less than $3,000 per year?

2. How many workers in Canada earn between $3,000 and $4,000?

3. What measures has the government taken, or does it intend to take, to deal with the problem of poverty in Canada?

4. Does the government intend to set up a commission to make an exhaustive study of the problem of poverty in Canada, and to suggest to the House ways of correcting the present situation and, if not, for what reason?

Return tabled.

PUBLIC SERVICE—LANGUAGE SPOKEN BY EMPLOYEES

Question No. 840—**Mr. Fortin:**

Among the employees earning $17,000 per year or more, in the case of each of the following: Department of Trade and Commerce, Comptroller of the Treasury, Department of Finance, Treasury Board, Department of Fisheries National Research Council, Board of Transport Commissioners, Polymer Corporation Limited, Air Canada, Canadian National Railways, how many are (a) Canadians whose mother tongue is French (b) Canadians whose mother tongue is English (c) others (d) bilingual?

Return tabled.

EMPLOYMENT FOR STUDENTS

Question No. 880—**Mr. Marchand (Kamloops-Cariboo):**

Does the Department of Manpower and Immigration or any other federal department have any special plans to employ or stimulate employment for students, particularly university students, in the coming year and, if so (a) what is the nature of the program(s) (b) what is the estimated number of students who would be assisted by the program(s)?

Return tabled.

WAR AND PEACE—GRANTS TO UNIVERSITIES FOR STUDIES

Question No. 998—**Mr. Rose:**

1. What is the amount of federal money granted to universities for strategic studies each year?

2. How much money is being granted for studying causes and methods of preventing war?

3. Are the federal government computers suitable for processing peace research data?

4. If so, would the government consider making available from time to time its computer facilities to responsible persons engaged in peace research?

Return tabled.

Inquiries of the Ministry

ORAL QUESTION PERIOD

CANADIAN CONSTITUTION

REFERENCE TO COMMITTEE OF PROPOSALS FOR REVISION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Prime Minister, but before doing so, I would say I am pleased to see him back after what must have been a very pleasant weekend, and the realization that the report attributed to one of his colleagues that somebody disliked him proved to be quite unfounded.

I would ask the Prime Minister whether he has reached any decision regarding the establishment of a parliamentary committee respecting the question of constitutional reform.

Right Hon. P. E. Trudeau (Prime Minister): On the congratulations of the Leader of the Opposition, Mr. Speaker, I want to thank him very much. I told the people in Quebec I believe in federal-provincial co-operation. They were down here at the first part of the week, and I was in Quebec for the balance which is a good way of co-operating. The carnival will go on; it has not finished.

An hon. Member: Which one, here or down there?

Mr. Trudeau: Yes, that is the one I am referring to.

I have not reached a decision about setting up any parliamentary committee. I must say that my first reaction on hearing the speeches on Friday and reading *Hansard* for that day was not one that led me to believe that we would have a great deal to gain from listening to the views of members of the other parties as to the constitution, but I am willing to re-assess this.

Mr. Stanfield: As a supplementary question, Mr. Speaker, may I ask the Prime Minister whether he thinks it might not be useful for the government house leader to confer with the other house leaders with a view to reaching some more precise formulation for this question?

Mr. Trudeau: Mr. Speaker, I will say that I undertake to discuss the matter with the government house leader, and in fact I intend to discuss it in cabinet this week. I repeat that I am not averse to the idea. I do know that the committees of the house are extremely busy,

and I am not therefore sure if it would be conducive to much more work in the other committees if we were to set up a committee on the constitution. As I have said, at this stage of the game there seems to be a great deal of indecision in the constitutional theories of some of the members of the house.

Mr. G. W. Baldwin (Peace River): As a supplementary question, Mr. Speaker: In coming to a decision on this would not the Prime Minister bear in mind that the issues need to be made simple and precise, free from the power conflicts and struggles between the federal and the provincial governments, that the right hon. gentleman and his colleagues have failed dismally to do this, and that a parliamentary committee could not make a worse mess than the government?

Mr. Speaker: Order. I suggest to the hon. member that the question he is asking is quite out of order.

OCCUPATIONAL TRAINING

SCHEFFERVILLE, QUE.—DELAYS IN PROGRAM FOR CHIMO INDIANS

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration. I tried to give him notice of it a little while ago but was unable to reach him. Is he aware of the delays which have taken place in approving some adult educational programs for Chimo Indians in Schefferville, Quebec, resulting in a loss of pay for the trainees and, if so, what action is the minister taking to remedy the situation?

Hon. A. J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I am familiar with this particular case. It is one where the department, under the regulations, is not able to approve training allowances because the courses had commenced before the proper authorization had been received, as required under the regulations.

Mr. Lewis: Would the minister undertake to look into the situation and to see whether the regulations could be made to apply, as I understand they could, so that the trainees would be paid for a full period of 16 weeks instead of a shorter period?

Mr. MacEachen: Mr. Speaker, I would be happy to look at the case again, but from what study I have made of it I have discovered that the regulations have been applied in the proper way.

[Mr. Trudeau.]

Mr. Lewis: Mr. Speaker, as a further supplementary question may I ask the minister whether it is the policy of his department that any educational up-grading should not go beyond the eighth grade, in the case I am now referring to affecting the Chimo Indians in Schefferville? I am informed that this has been the case.

Mr. MacEachen: Mr. Speaker, I would like to investigate that particular point.

Mr. Donald MacInnis (Cape Breton-East Richmond): As a supplementary question, do I understand the minister's answer to be that the trainees are not receiving pay because the school course was started without proper authorization?

Mr. MacEachen: That is the answer.

Mr. MacInnis (Cape Breton-East Richmond): Then I would ask the minister whether the instructors are a volunteer staff, or are receiving their pay?

Mr. MacEachen: Mr. Speaker, the staff as such is not in the employ of the Department of Manpower and Immigration. In the normal case the department purchases these courses from the provincial departments of education, and in some cases from private organizations. In this case the courses had commenced before the necessary authorization had been given by the provincial department of education. As to the status of the teachers involved, it is not in issue at this point. It is a question of training allowances for those persons who had been in the courses before they were authorized.

Mr. Lewis: On a point of order, Mr. Speaker, I am sure the minister would not wish to mislead the house. He said the course had been started before the department of education had approved of it. Would he be good enough to look into that, because my information is that the department of education approved of it last November, and that any of the difficulties that arose—

Mr. Speaker: Order, please. I suggest that this is not a point of order, but rather that it is a point of debate between hon. members.

Mr. Lewis: With respect, Mr. Speaker, I did rise on a point of order to make sure the minister was not saying something in answer to a question which I am quite certain was wrong.

Mr. Speaker: It is still not a point of order.

EXTERNAL AFFAIRS

MAINLAND CHINA—DISCUSSIONS IN SWEDEN AS TO RECOGNITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In connection with the questions asked last week, is the hon. gentleman now in a position to report progress in the discussions between our diplomats in Sweden and their counterparts of the People's Republic of China?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, I have no further developments to report at the present time.

Hon. J. A. MacLean (Malpeque): As a supplementary question, Mr. Speaker, will the minister tell the house whether he has instructed Canada's representatives to suggest, during their discussions with the representatives of Peking, payment of the 13 million 1949 dollars spent by the Canadian government for the seven ships seized by the Peking regime at the time of its take-over in that country?

Mr. Sharp: Mr. Speaker, I think all these negotiations will be facilitated if we have an exchange of diplomats, which is what we are trying to bring about.

[*Translation*]

[*Later:*]

Mr. Henri Latulippe (Compton): Mr. Speaker, I should like to direct a question to the Minister of External Affairs.

Would he tell us where the negotiations with Communist China now stand and advise us of the substance of the talks and of the decisions taken up to now with regard to that country.

[*English*]

Mr. Sharp: The hon. gentleman may not have been in the house when I answered a similar question a few moments ago. I have nothing further to report to the house.

POSSIBILITY OF VISIT TO CANADA OF PRESIDENT NIXON

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. As every postwar United States president has first conferred with the Prime Minister of Canada before conferring with other heads of states, and as President Nixon has announced meetings with the heads of state of five European countries, and Australia, and there has been no forthcoming announcement of any meeting with Canada, has—

Mr. Speaker: Order, please. Would the hon. member ask the question.

Mr. Hees: I am just giving a little background, Mr. Speaker. Has the Secretary of State for External Affairs been in touch with his opposite number in the State Department to find out the reason for this apparent downgrading of Canada's importance in the eyes of the American government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I can assure the hon. gentleman and all members of the house that we have been in touch with the United States administration about a meeting between the President of the United States and the Prime Minister of Canada. I am sure this will be arranged at a time that does justice both to our country and to the Prime Minister.

Mr. Hees: I have a supplementary question following that non-answer. Has the Secretary of State for External Affairs investigated with the State Department the story coming out of Washington during the weekend that the apparent coolness of the United States government toward Canada is due to the lukewarm attitude of this government in respect of our participation in NATO and NORAD?

Mr. Sharp: There is no substance in that. The President of the United States is most anxious to meet our esteemed and respected Prime Minister. If I may say so, I think there has never been a time when there has been greater respect in the United States for this country.

Mr. Hees: Is the President simply putting off the visit as long as possible?

HARBOURING OF DESERTERS IN CONTRAVENTION OF ALLIANCE AGREEMENTS

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, may I ask a supplementary question?

Mr. Speaker: I suggest to the hon. member that perhaps we should go on to another question. We would seem to be getting away from the type of question that should be asked and answered at this time. Do I

understand that the hon. member has a supplementary?

Mr. McIntosh: Thank you, Mr. Speaker. Perhaps my question should be addressed to the Minister of National Defence, but in his absence maybe the Secretary of State for External Affairs could answer it. Are there any provisions in Canada's collective alliance agreements which prohibit Canada's harbouring deserters from nations associated with Canada in such alliances?

Mr. Speaker: Order, please. The question as asked by the hon. member cannot be in order. He is asking for information interpreting agreements or treaties between countries. It seems to me this is not the type of question which should be answered now.

Mr. McIntosh: With all deference to you, Mr. Speaker, I just asked whether there are any provisions in the agreements. I do not have copies of the agreements. Perhaps the Postmaster General could tell us, if the Secretary of State for External Affairs cannot.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as you have said this is a question which requires interpretation of a statute. I will take the question as notice, but perhaps it would be better if the hon. gentleman were to place it on the order paper.

Mr. McIntosh: Have any discussions been held on this question between the authorities of the United States and Canada?

Mr. Sharp: I will have to take notice of that.

[*Translation*]

VIOLENT DISTURBANCES

QUEBEC—EXPRESSION OF SUPPORT BY UNION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in the absence of the Minister of Justice, I shall put my question to the Prime Minister.

Since a labor leader stated in Quebec yesterday that he and his group backed strongly those perpetrating acts of violence in Quebec, or who intended to indulge in violence, is it the intention of the government to carry out an inquiry in this connection?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, while the Minister of Justice is in Vancouver for the purpose of carrying on the discussions on the Constitution undertaken last week with the provincial Ministers of Justice, my reply to the hon. member is that this matter, as many others, comes under the administration of justice and does not, therefore, fall under our jurisdiction, unless we are asked by the province to intervene. I know that the hon. member is a strong supporter of provincial autonomy and surely he does not want us to act in any way that would run counter to such autonomy.

[*English*]

DRUGS

L.S.D.—INVESTIGATION BY R.C.M.P. INTO ILLEGAL IMPORTATION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I direct a question to the Solicitor General. Could he tell the house whether the R.C.M.P. has been able to clarify the situation with regard to the smashing of an international drug ring wherein great quantities of l.s.d. were coming into Canada, and is there anything further he can tell us beyond what he did not tell the hon. member for Palliser some ten days ago?

Hon. G. J. McIlraith (Solicitor General): No, Mr. Speaker, I am not able to give the hon. member information at the moment, but I will look at the question to see if something can be given at a later stage.

Mr. Lambert (Edmonton West): As a supplementary question, Mr. Speaker, would the minister look into the question and advise whether the drug was being manufactured in Canada in Canadian government laboratories, and in particular was any employee of the government involved in its manufacture on behalf of the ring?

Mr. McIlraith: Mr. Speaker, I shall be very glad to look into that matter.

LEGISLATION TO PROVIDE REPAYMENT OF OVERCHARGES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, February 7 I addressed a question to the Prime Minister. I have been led to believe that by now an answer might be forthcoming. My question related to reports that a number of drug firms in the United States are making payments of $120 million to cover overcharges that had resulted in excess profits. I asked whether the government of Canada is studying this matter and whether legislation might be brought in

to make it possible for Canada to require similar action.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the action to which the hon. member refers is action being taken in the United States pursuant to section 4 of the United States Clayton Act. We have no counterpart of such a law in our own Combines Investigation Act and no such action would be possible in Canada. As the hon. member knows, the question of combines, monopolies and competition policy generally is before the Economic Council of Canada for advice. When we receive a report from the council we will study it and bring in a revised combines act to the house.

Mr. Baldwin: Then you will have a white paper going back again to the Economic Council.

Mr. Knowles (Winnipeg North Centre): Has the minister been in touch with the officials in the United States who are dealing with this matter, to see whether they have any information to help us ascertain whether the same overcharging is taking place in Canada.

Mr. Basford: As my predecessor explained in January 1968, the Director of Investigation and Research under the Combines Investigation Act had been in touch at that time with the officials of the anti-trust section of the United States department of justice, who advised him at that time there was no evidence in the United States which indicated there had been offences committed in Canada under our law.

TRANSPORT

REPRESENTATIVE OF TRANSPORT COMMISSION AT MARITIMES COMMITTEE SITTINGS

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, my question is for the Minister of Transport, or in his absence the acting minister. In light of the fact that the Canadian Transport Commission has not sent a representative to attend the hearings of the Standing Committee on Transport and Communications, which committee is beginning a tour of Atlantic Canada in Fredericton today, and in light of the fact that the chairman has requested that a representative be sent, can the minister assure the house that the Canadian Transport Commission will be represented at the remaining hearings to be held in the maritimes?

[*Translation*]

EXTERNAL AFFAIRS

NIAMEY—CONFRONTATION BETWEEN DELEGATIONS

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs regarding the French-speaking countries conference in Niamey. There have been reports of a confrontation between members of the federal and provincial delegations and I would like to ask the minister whether a previous understanding could have prevented that situation and whether any thought was effectively given to that?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Before the delegation went to Niamey there were conversations between the governments of Quebec and of Canada and also with other provinces, and an agreement was reached concerning the composition of the Canadian delegation. I believe these arrangements are in the best interests of all concerned. I hope they will be carried through in an amicable fashion and be worthy of our country.

[*Translation*]

Mr. Fortin: Mr. Speaker, I wish to ask a supplementary question.

I thank the minister for his answer. Now could he tell us whether he considers the federal delegation as the head delegation, or—

Mr. Speaker: I do not think the question is acceptable as put. The hon. member is asking the minister for an opinion and in this sense I do not think his question is in order.

[*English*]

TRANSPORT

DELAY IN MOVEMENT OF CANADIAN NATIONAL BOX CARS

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, this question is for the Minister of Transport or in his absence the minister representing him today. It is in relation to rail movement to the west coast of lumber, pulp and products other than wheat. Can the minister advise the house what action is being taken to expedite the movement of several hundred C.N.R. box cars which reportedly are sidetracked on the Jasper-Prince Rupert line, thereby causing a delay which is

resulting in serious dislocation and even possible layoffs in several coastal industries.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Transport is due to be in the house tomorrow.

REGIONAL DEVELOPMENT

FRED—PLAN FOR WESTERN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. Could the minister advise when he expects to sign an agreement with the province of Newfoundland on a proposed $305 million FRED program as announced three times in the past six months by the premier of Newfoundland.

Hon. Jean Marchand (Minister of Forestry and Rural Development): I did not catch the figure, but I think this will be signed very shortly.

IMMIGRATION

ADMISSION OF KNOWN PROFESSIONAL AGITATORS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, this question is for the Minister of Immigration. In view of the fact that there appears to be overlapping jurisdiction with regard to this particular problem, could the minister advise whether it is the intention of the government to hold an early conference which would include the Minister of Immigration, the Minister of Justice and the attorneys general of the respective provinces in order to decide what will be the future immigration policy regarding the admission to Canada of known professional agitators.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): The policy of the government in this regard is under continuous review. It has been stated a number of times in the house. At the present time it is not proposed to alter the policy.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I should like to ask a supplementary question.

Would the Minister of Manpower and Immigration tell us if the City of Montreal has lodged a complaint concerning the presence in our Quebec universities of Mr. Karl Dutrich-Wolff, president of the socialist students of West Germany, who describes himself as a professional agitator? According to Section 19A of the Immigration Act, I think the minister would be justified in investigating the presence—

Mr. Speaker: Order. I think the hon. member has made representations to the minister instead of putting a question to him.

[*English*]

[*Later:*]

Mr. Marcel Prud'homme (Saint-Denis): With Your Honour's permission, may I rephrase my question to the Minister of Manpower and Immigration of a few moments ago? Has the minister received any representation respecting the presence in Montreal of Karl Dutrich-Wolff, president of the socialist students of West Germany?

Mr. Speaker: I suggest that even as rephrased the question is not in order. The hon. member simply asked whether representations had been received. I wonder whether he would not like to return at the time of adjournment to discuss the matter.

Mr. J. Edward Broadbent (Oshawa-Whitby): Would the minister tell the house how he distinguishes in principle between a draft dodger and a deserter?

Mr. Speaker: The distinguished member's question is out of order.

THE CANADIAN ECONOMY

PROGRAMS TO IMPROVE POSITION OF WELFARE RECIPIENTS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the wide publicity given to the weekend statement of a respected Toronto economist, that the establishment has no interest in the poor and is not going to do anything for them, will the minister make an early statement concerning what programs are in prospect to transform the poor from welfare recipients into participating citizens.

Mr. Speaker: Order, please. I have the impression the question as asked is not in order. The hon. member is suggesting what the minister's statement should be if he were to make a statement. I would think for this reason the question should not be answered.

Mrs. MacInnis (Vancouver-Kingsway): Ten o'clock, Mr. Speaker.

POST OFFICE DEPARTMENT

ALLEGED DISCRIMINATION AGAINST RURAL BOX HOLDERS

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Postmaster General. Considering the unusually large volume of protests alleging discrimination against rural box holders and the recently announced increased charges, would the minister give serious consideration to eliminating this extra cost to the box holders concerned?

Hon. Eric W. Kierans (Postmaster General): We are evaluating the cost of the lock box and attempting to gain a revenue commensurate with it. Rural residents have the option of receiving their mail free, as does everybody else by calling for it at a general delivery wicket. Those who choose a lock box service are asking for an additional service and are expected to pay for it.

REQUEST FOR REDUCTION IN DELIVERY TIMES

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I have a question for the Postmaster General. In view of the fact that most mail deliveries within Toronto and Montreal in the last few weeks have been taking two days, and the further fact that the Toronto and Montreal stock exchanges rely on the mail and require settlement of accounts within three days, and are finding it difficult because of the mail delays to comply with the rules of their exchanges, can the minister assure the house that it is the intention in his modernization of the post office to reduce delivery times to one day?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the bulk of the mail is delivered in one day between Montreal and Toronto, but there are occasions when it is not. I spent all day Friday in Toronto precisely to investigate conditions there. I may say, with respect to the latter point made by the hon. member, that the sorting out of accounts between Montreal and Toronto stockbrokers does not depend primarily on the mail. However I recognize the problem he raised. We are doing everything we can to improve service.

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. I wonder if the Postmaster General could explain, to some of us whose education is rather limited, what the difference is between the word "sortation" and the word "sorting".

Mr. Speaker: Order, please. This question should be placed on the order paper.

[*Translation*]

MINISTERS REFUSAL TO MEET FEMALE EMPLOYEES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to direct a question to the Postmaster General.

Can he tell us why he has refused to grant an interview to 500 casual female employees from his department who wanted to discuss their job difficulties?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I am not aware of such a request.

[*English*]

UNITED NATIONS

PARTICIPATION IN COMMITTEE TO END BIAFRA-NIGERIA CONFLICT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Will the government, as a member of the United Nations, work toward the formation of the 19 member committee which Dr. Azikiwe suggested would be a useful instrument for the ending of the Nigeria-Biafra war?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We do not yet have the details of Dr. Azikiwe's proposals, but from the initial report that has appeared in the papers and on other media they appear to be worthy of close scrutiny. Undoubtedly both the federal Nigerian government and the Ojukwu regime will be considering his suggestions in the light of their respective positions, and of the particular respect in which Dr. Azikiwe has been held in the past. I know I have been personally very interested, but as I said on at least one previous occasion it is not mediators that we lack, it is agreement on certain fundamental questions on which the two regimes have not yet been able to agree.

NATIONAL SECURITY

INQUIRY AS TO REPORT OF ROYAL COMMISSION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the right hon. Prime Minister if he can give the house an indication of when the report of the commission on security will be tabled, either expurgated or otherwise. I ask this

question, since it has been asked a number of times for some six months.

Right Hon. P. E. Trudeau (Prime Minister): I believe the Leader of the Opposition is exaggerating when he says the question has been asked for some six months, but I do recognize that we will have to take a position on this matter before the six months are up. I will report to the house in due course.

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a supplementary question, Mr. Speaker. Surely the government has taken a position. The question now is: How is the expurgated version coming along? Surely we are entitled to have this.

SPORTS

REQUEST FOR EARLY REPORT BY TASK FORCE

Mr. Arnold Peters (Timiskaming): I have a question for the Minister of National Health and Welfare. Is he in a position to tell the house when the task force on sports is expected to report, whether this report will be made public, and whether the government intends to send the report when received to a committee of the house.

Hon. John C. Munro (Minister of National Health and Welfare): I expect the report to come to the government some time next month, that is the month of March, when it will be for the government to decide whether it will be made public.

UNEMPLOYMENT INSURANCE

ALLEGED INJUSTICES RESULTING FROM INVESTIGATIONS TO REVEAL FRAUD

Mr. John Lundrigan (Gander-Twillingate): I have a question for the Minister of Labour. Can he tell the house what action his department has taken to eliminate the many injustices now being caused to people who would receive unemployment insurance benefits, brought about by the crackdown to eliminate fraud and enforce the regulations?

Hon. Bryce S. Mackasey (Minister of Labour): The only people in Canada who have anything to fear from the crackdown are those who intend to defraud the government and the Unemployment Insurance Commission.

Mr. Lundrigan: Mr. Speaker, I would like to say that I have received quite a number of—

[Mr. Stanfield.]

Mr. Speaker: Order, please. The hon. member cannot say anything; he can only ask.

Mr. Lundrigan: I would like to ask the minister if he could tell the house whether the people who are making representations to a number of hon. members, including myself, are in actual fact dishonest, and whether—

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

HOUSE OF COMMONS

REQUEST THAT BILLS BE PRINTED IN GREATER NUMBERS

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the President of the Privy Council. In order that interested members of the public can participate more fully in our democratic processes on an informed basis, can the minister give the house some assurance as to the printing in the future of larger numbers of important public bills, such as the omnibus bill amending the Criminal Code, the bills amending the Estate Tax Act, and the official languages bill, so that a wider distribution of these bills can be made to members of the public who are interested.

Hon. Donald S. Macdonald (President of the Privy Council): It is a little difficult to decide in each case which bill will be of wide interest and will require a larger distribution, but I am prepared to speak to the responsible officials in the house on this matter.

IMMIGRATION

TIMING OF DISTINCTION BETWEEN DESERTERS AND DRAFT DODGERS

Mr. J. Edward Broadbent (Oshawa-Whitby): My question is for the Minister of Manpower and Immigration. In view of his statement made to the house last Thursday, and of the recent problems of U.S. students at the border, would he inform the house when his department first made the distinction between deserters and draft dodgers.

Mr. Speaker: Order, please. The question as put cannot be asked at this time.

CANADIAN YOUTH PARLIAMENT

REQUEST FOR RECONVENING OF AD HOC COMMITTEE

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the right hon. Prime Minister. Now that the Ontario government has revealed its support for a Canadian youth

parliament, will the government of Canada give leadership in establishing this project as a means of providing a positive outlet for youth protests and aspirations?

Mr. Speaker: Order, please. The question as asked would be an excellent resolution to be placed on the order paper.

Mr. Dinsdale: Mr. Speaker, may I ask a supplementary question?

Mr. Speaker: A supplementary resolution?

Mr. Dinsdale: To put it in a more direct and positive form, would the right hon. gentleman authorize the reconvening of the ad hoc committee on this subject which has been in recess for some two years?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no reason to reconsider the decision we made in the negative, and which I announced when I answered this question earlier in this session.

CANADA LABOUR (SAFETY) CODE

REGULATIONS APPLICABLE THROUGHOUT CANADA

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the passing of regulations made under the Canada Labour (Safety) Code respecting safety in the Cape Breton Development Corporation coal mines, may I ask the minister whether it is the intention of the government to introduce a series of regulations industry by industry or whether there are to be general regulations under the Canada Labour (Safety) Code applicable across Canada?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, the policy of the department is to introduce regulations in whatever manner will make the code applicable at the earliest possible moment. In the case of the mines, we concentrated on the complicated regulations needed to make the code operative in that particular area. As the hon. member has indicated, they are now in full operation in that important industry. We are now proceeding from industry to industry, preparing regulations.

Mr. Knowles (Winnipeg North Centre): May I ask whether regulations affecting any other industry have yet been passed?

Mr. Mackasey: In due course, Mr. Speaker.

WOMEN

INFORMATION RESPECTING PRESENTATION OF REPORT

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the Prime Minister, Mr. Speaker. While trying to ascertain who might answer this question I was directed to the Secretary of State, but apparently I am supposed to ask the Prime Minister, not particularly because the question deals with women as such but because reports of royal commissions go to the Prime Minister. Can the right hon. gentleman tell us when the report of the Royal Commission on the Status of Women will be available?

Right Hon. P. E. Trudeau (Prime Minister): I am always interested in that type of question, Mr. Speaker, so I have already made inquiries. I understand there is quite a lot of work remaining to be done, so perhaps we should not expect this report until much later in the year.

Mr. Alexander: Since there has been some suggestion that this report will be swept under the rug, can the Prime Minister give the house his assurance that it will be treated in the same way as all reports are treated when they come before the right hon. gentleman?

Mr. Hees: I presume that means it will be swept under the rug.

Some hon. Members: Oh, oh.

Mr. Alexander: On a point of order, Mr. Speaker, I did not follow the exchange between the Prime Minister and my hon. friend, but I believe the Prime Minister wanted to answer my question and I would hope, Mr. Speaker, you would allow him to give us his views.

Mr. Speaker: It was my understanding that the question had been answered.

Some hon. Members: Oh, oh.

Mr. Trudeau: I wanted to give an answer to the hon. member in the affirmative, but I bowed to the knowledge of a member of a former Conservative government.

NORTHWEST TERRITORIES

REQUEST FOR STATEMENT RESPECTING SELF-GOVERNMENT

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to whoever

is running the Department of Indian Affairs and Northern Development. What happened to the proposition respecting self-government in the Northwest Territories? Is any announcement to be made about it?

Mr. Speaker: Orders of the day.

Mr. Howard (Skeena): It is obvious nobody is running the department today.

IMMIGRATION

REFUSAL TO ADMIT ALLEGED DRAFT DODGERS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, on February 11 I asked the Minister of Manpower and Immigration a question concerning the directions given to immigration officers at the border with respect to United States draft dodgers, and the parliamentary secretary took my question as notice. Is the minister prepared to answer today?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, as I recollect it, the question asked by the hon. member had to do with the impersonation by a number of students at the border. These students appeared at the border with copies of a passport and documents pertaining to one particular person, and posed as military deserters. In accordance with the discretion which may be exercised by immigration officers in these cases, the entry of these persons was refused. It was a hoax, of course. It was not a very meaningful test of regulations, especially as those persons were very eager, at least early in the interview, to volunteer that they were just recently in the American forces.

Mr. Peters: The circumstances are, of course, as the minister has outlined them. But my question was: Would there be an investigation into the allegation that the officials apparently had a prearranged method set up to dispose of cases of this kind? There was also the fact that the Canadian officers got in touch directly with the United States officials, something which appears to be contrary to the provisions of the Immigration Act.

Mr. MacEachen: I asked for a report, and I examined it. Then I concluded that the officers had behaved properly and in accordance with the regulations. The action they took in advising their United States counterparts is one which I understand is routine at the border.

[Mr. Howard (Skeena).]

GOVERNMENT ORDERS

AGRICULTURE

PREVENTION OF INTRODUCTION OR SPREAD OF PLANT PESTS

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-154, to prevent the introduction or spreading of pests injurious to plants be read the third time and passed.

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

AGRICULTURE

COMPENSATION FOR CONTAMINATION BY PESTICIDE RESIDUE

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-155, to provide compensation to farmers whose agricultural products are contaminated by pesticide residue, and to provide for appeals from compensation awards, be read the third time and passed.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I rise to make a few observations on the third reading of this measure because it represents somewhat of a departure from the type of agricultural bills we have had before us recently. It seems to me it is a forerunner of other bills of this sort which may be coming before the house. I believe there is an intent on the part of the government to deal with changing conditions we are likely to meet in both agriculture and the chemical industry in the years ahead.

In the main, Mr. Speaker, I believe the intent of the bill is good. The government appears to recognize that instances are likely to arise, perhaps with more frequency in the future than in the past, when claims for compensation will be made, and that a basis is necessary for determining the method by which compensation should be paid. While I think the intent of the bill is good, I am a little disappointed that some of the amendments we moved when we were dealing with the substance of the bill clause by clause in the committee stage were not accepted. We believe that those amendments were sound and would have improved the bill, but under the circumstances we must bow to the will of the committee.

• (3:10 p.m.)

In the result, I feel that the regulations that will be prescribed under the bill and also the clauses of the bill are going to make the

legislation too cumbersome to implement. Some clauses are going to work to the detriment of both the agricultural and the chemical industries. However, we are fortunate that the bill is a forerunner of future bills, and that after a trial period the weaknesses will be apparent to the government of the day and it will be brought back for amendment.

The provisions of the bill relate to agricultural products that may become contaminated through no fault of the producer or, indeed, through no fault of the chemical company, which may be located some miles away. An example of such contamination is that alleged to have occurred in the Dunnville area. As we become more skilled in detecting contamination, perhaps attempts will be made to curtail the sale of products grown in areas where it is felt there may be contamination.

One major complaint about the substance of this bill is that although the government department concerned is protected to the fullest extent under the terms of the bill, the same is not true of chemical companies and primary producers. Under the terms of the bill government inspectors will be permitted to confiscate contaminated produce of a farm or farms, in return paying what the government feels to be adequate compensation. However, if a contrary opinion as to the assessed value of such products is voiced by the injured party, an appeal can be made to an assessor appointed by the government. As has been pointed out, it is true that the assessor may be a member of the Supreme Court or a superior court. It is also true that the proceedings are not to be considered court proceedings. Once an assessor has made a ruling in a given case, under the clauses of the bill there is no recourse to any other court by way of appeal or review.

I am very much concerned about this. As we are all aware, many decisions made by judges are appealed. Consequently, this is one respect in which I feel the bill is weak. Once a decision has been made by a government appointed assessor and that decision is upheld, the bill specifically provides there is no appeal or review of such decision, whether the party concerned is a farmer, a co-operative or a chemical company. I contend that this is contrary to the rights of individuals and corporations in Canada, and on this score I am uneasy about the bill.

Another point that gives me very grave concern is the kind of terminology found in such bills as this one and the series of similar bills coming before us. Although the terminology may have been handed down through the years, we are now legislating for the future, especially in regard to matters where the advancement of science plays such a tremendous part in our progress. Therefore I do not think we should be subjected to such terminology as "subject to such regulations as may from time to time be prescribed by the Governor in Council", or "subject to such conditions as may from time to time be prescribed". Phrases of this kind are found in bills of this type. As legislators we are being asked to pass a piece of legislation and to make it the law of the land when at the same time we are not sure what regulations will be prescribed.

This is why I am uneasy about this bill. Although some bills that come before us are merely amending bills, as a result of our investigation and study of such bills in committee we have found that in many instances guidelines that were set out in former bills have been removed. More and more the scope and intent of such bills are being left entirely to the interpretation of those who draft the regulations, who in turn adopt such methods as they deem appropriate. I feel that we as legislators are often in the dark as to the true intent of bills that are put before us.

Therefore I take this opportunity, on behalf of the great industries of agriculture and chemistry which have become so closely allied, to protest to the house about two facets of this bill that are going to play an increasingly important part as time goes on. First, it seems to me there is absolutely no room in this bill for appealing or reviewing a decision that has been made by the government, which is only one party to an action. Second, it seems to me, in the main, that in passing legislation of this type we as legislators are signing what is commonly known as a blank cheque. In other words, we are leaving entirely to the department the responsibility of drafting such regulations and providing such conditions as may from time to time seem expedient. Perhaps it is necessary to pass bills in this fashion, but I have grave doubts as to the consequences of this practice. Anyone who has been engaged in these two industries knows how indefinite such regulations can be and how much is left to interpretation.

• (3:20 p.m.)

In the committee stage the Minister of Agriculture (Mr. Olson) assured us that even

under the terms of the bill it would be possible to appeal directly to the minister. But, Mr. Speaker, we have had a great deal of experience in this regard and we know how ineffective such an appeal can be when directed to a minister. We know how much time can elapse before such an appeal reaches a minister's desk. We know there is also a further delay between the time the appeal reaches his desk and the time he is in a position to make a decision. So, although the intentions of the bill may be good, and I feel they are, and although we on this side are prepared to allow the bill to pass, we still have grave reservations about how it will apply to the industries we are concerned about.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, before this bill is passed, I would like to add a few words to complete the comments I made at the sitting of the committee.

First, I must say that we certainly are in favour of the bill, although it is not perfect for it is difficult to demand absolute perfection.

Mr. Speaker, we are afraid that we are a little confused insofar as compensations are concerned. As a matter of fact, the minister has implied that, as provided for in the law, there is nothing definite in the bill. Under the former bills, which provided for the payment of a fixed amount for the loss of each animal, if the flesh was still fit for consumption, or if the animal no longer had any commercial value, it was still possible to get some compensation. But in the present case, nothing is fixed. It will all depend upon the regulations which the minister or his officials will draw up in favour of the farmers.

Two groups are concerned in the present case: the manufacturers and the farmers who use those pesticides.

Mr. Speaker, we have been told what amounts the minister intends to allow as compensation for the losses suffered by farmers. They represent an increase which in my view should be more liberal. I am glad that a compensation of $200 for a pure-bred milch-cow and $129 for a cross-bred cow.

However, there is a point which concerns me constantly and on which I drew the minister's attention in committee. It is the difference between cross-bred milch-cows and pure-bred cows.

In my district, we have cross-bred dairy herds—

[Mr. Danforth.]

[*English*]

Mr. Olson: On a point of order, Mr. Speaker, while I do not wish to interfere with the hon. member's right to carry on the kind of discussion he has carried on with respect to compensation paid for loss of animals, I think he will agree with me that his remarks apply specifically to Bill C-156 and not to C-155.

[*Translation*]

Mr. Speaker: These last minutes, I had some doubt as to the relevance of the remarks of the hon. member for Roberval, and I was trying to find in the bill the clauses on compensation for loss of animals.

I believe that the point raised by the Minister of Agriculture is well taken and that the present remarks of the hon. member for Roberval rather relate to Bill C-157 entitled "An act to regulate products used for the control of pests and the organic functions of plants and animals".

In my opinion, Bill C-155 now before the house deals more specifically with agricultural products contaminated by pesticides and I do not think, therefore, that the hon. member's comments really referred to the bill under consideration.

Mr. Gauthier: Thank you for those remarks, Mr. Speaker. Even if this bill is related to agricultural products damaged by pesticides, I thought that herds could also be affected and that the bill concerned cattle also. So, I will keep my remarks until we debate the bill on animal contagious diseases.

As for Bill C-155 in respect of crops and farmers' property, our only complaint is that the department will be the only decision-making agency on the amount of compensation. That is why I brought the matter to the attention of the committee and I bring it again to the minister's attention. In fact, I realize that since the beginning of this session every time such a subject is brought forward it is referred to the department which will later assess the amount of indemnity.

It is hoped that the regulations that the Minister of Agriculture—who is conversant with the subject—as well as his officers intend to present to us will benefit the farmers. Since an act must be promulgated in respect of the future what will happen with regard to further changes? The minister is not infallible, nor is he eternal. Should a less qualified Minister of Agriculture replace him and should the present officers who are very competent and trustworthy be replaced by

other people, then we should have to pass an act establishing a standard basic price in order to get away from temporary regulations that may be modified overnight. At this time, that is what I fear most as to the bills on agriculture that we have been discussing. In my opinion, that procedure is being applied to every bill, and that is why I am worried.

When we talk with farmers they ask us: What will be the amounts of compensation in the future? As we are not aware of what they will be, as we are left completely in the dark, we can only answer: We have to wait, it is the minister who makes regulations. Well, if the minister wants to take that chance, he is the one who will have to account for his actions to the people. I think he is old enough to take his own responsibility and he will have to do it alone if he does not want to share it with the committee and the house. Then, we will say to the people: the law has been made thus. The majority has won and we have given the minister and his officials all the latitude needed to determine what compensation you may or may not receive according to what happens in agriculture.

• (3:30 p.m.)

[*English*]

Mr. Ross Whicher (Bruce): I would like to speak on this bill, Mr. Speaker, because I had the opportunity of attending the committee while it was discussed. I want to join in the view expressed not only by many members present but also by the expert witnesses who appeared before the committee. I have enjoyed the speeches by two members of the opposition this afternoon. I realize that one who has had long experience in the field of opposition naturally has to say something against a bill regardless of whether it is good or bad.

This bill is something new as far as the Department of Agriculture is concerned. I would think that members who wish to be somewhat critical should nevertheless congratulate the Minister of Agriculture (Mr. Olson) for bringing it in. This is something that has never happened before in Canada. It was not possible for the government to pay to a farmer any sum of money he might be justified in receiving. If a pesticide firm or a farmer's neighbour made an error in the spreading of pesticide, the farmer affected could sue the pesticide firm or his neighbour. If the damage arose through no fault of the farmer, his neighbour or the pesticide firm, the farmer could not be compensated for his loss.

In this bill the government provides compensation to farmers whose agricultural products are contaminated by pesticide residue, as well as for appeals from compensation awards. The Minister of Agriculture and the government deserve credit for this. A great deal more could be done but this is a step in the right direction. The Canadian farmer with substantial losses will now have the opportunity to receive compensation from the government. The minister should be congratulated rather than criticized.

The hon. member for Kent-Essex (Mr. Danforth), although very mild in his criticism, was critical that the regulations had not been drawn up and the amount of compensation had not been decided. I point out that no regulations are written before a bill is passed by parliament. After the bill is passed the regulations will be drawn up by the Minister of Agriculture. The hon. member also suggested there was no provision for a review which would be fair to the farmer concerned. There are 264 members of this house including the Speaker, all of whom represent constituencies. If one of our constituents feels he is not getting a fair deal it will be up to us to look after his interests.

This is new legislation. I understand the Department of Agriculture has estimated the cost to be $100,000. This bill is very important to anyone who suffers a loss through no fault of his own, of his neighbour or of the pesticide manufacturer.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I am going to disappoint the hon. member for Bruce (Mr. Whicher). He complained that it is almost a reflex action for members of the opposition to be critical of any legislation put forward by the government. Even before the hon. member made that suggestion, I had it in my notes to congratulate the Minister of Agriculture (Mr. Olson) for bringing in this legislation. I think the hon. member for Bruce is a bit unfair in his criticism. My colleague who spoke on this matter this afternoon extended congratulations in regard to this bill breaking a new trail in the field of agricultural legislation.

Action to deal with the problem of pesticides is long overdue. This bill is just the beginning in an area which is going to become to an increasing extent the responsibility of the government. The use of pesticides in agriculture is a fairly recent occurrence. I can see protests arising about problems of pollution, not only food pollution and other damage of that kind, but general

soil pollution. This will be a major concern to governments that have responsibilities in these matters.

The only complaint I am going to make this afternoon is in reference to clause 13, subclause 3, of the bill. I think it goes too far in dealing with this matter, at least at this stage of development. It reads as follows:

> The decision of the Assessor on any appeal brought pursuant to this Part is final and conclusive and not subject to appeal or to review by any court.

• (3:40 p.m.)

The very fact that we are moving into a new area of control gives rise to criticism against the rather arbitrary conclusiveness of this part of the bill. It is going to be difficult to anticpiate all the eventualities that will arise from the problem of pesticide poisoning and pollution. From the standpoint of bureaucratic efficiency I know that such a provision in an act, particularly a new act, is neat and tidy, but it is hardly in keeping with the support of individual rights and liberties that has been espoused by the government both inside and outside the House of Commons. The present government, which is proposing this arbitrary subclause, is supposed to be anchored to the principle of the just society. In the light of this, when we are moving into an unexplored area of government control and participation I would think we should do nothing to limit, circumscribe or curtail the individual's recourse to justice.

I was particularly taken with a phrase used by the Prime Minister (Mr. Trudeau) during the constitutional conference last week. In putting forward his thesis in support of a Bill of Rights the hon. gentleman used the phrase that there must be protection from the bureaucratic agencies that are spawned by government. I think that here is a prime example of what the Prime Minister was talking about. Under this bill there is the right of appeal to an assessor, but once that appeal has been made and the decision has been handed down the door to further recourse to justice is closed. I advise the minister at this stage that he might review clause 13(3) in the light of the comments that have been made this afternoon.

My hon. friend who opened the debate this afternoon said that there is a probability or a possibility of a resort to the minister. But even this is not sufficient protection for the individual. As this is a new bill, described by the hon. member for Bruce as exploring new problem areas that are becoming of public concern, I suggest that we should keep the door of recourse to the courts open at this stage. This would give proof that the government is interested in more than lip service to propaganda phrases such as the just society, and in curtailing arbitrary decisions by the bureaucracies spawned by government in the complexities of public life today.

There is one other point I would like to make. If parliament approves this aspect of the bill which I am discussing, it will become a precedent for other arbitrary decisions of this kind. In other words, if I may use the Prime Minister's phrase, it will spawn precedents aplenty that will more and more put final decisions on justice into the hands of the bureaucrats, out of the hands of ministers, out of the hands of parliament and in particular out of the hands of the courts. Because we are breaking new ground with this bill I think the minister would want to get it established in the right way. I trust that even at this late stage he will keep the final recourse to justice in the courts open for our farmers.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have been quite critical of some other pieces of legislation that the Minister of Agriculture (Mr. Olson) has introduced and I would not like to see him bring in a bill with which I agree without offering him my congratulations, and I do so now.

I also think we should give consideration to some of the comments of the last speaker. As a farmer in a rural area I will certainly be willing to act as an interested advocate for any farmer or manufacturer who has troubles in regard to matters of this kind. It has been suggested that since this is new ground we should be a little wary. At the same time I wish the minister well in his administration and I hope there will not be too many claims against the Crown.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I think this legislation is a step in the right direction and I intend to vote for the bill. However, there are one or two points I would like to mention.

Some time ago the people in my area had a problem. I do not know whether it is specifically related to pesticides. I mentioned it to the minister the other day and promised to send him more information on it. I presume that information is now on its way to him through the mail.

Recently a number of colts in the Trail area died of chronic lead poisoning which was

traced to the forage on three different farms. I presume it might have developed through the use of pesticides over a period of time or might have arisen from some other source of contamination; I just do not know. The authorities are investigating the problem and I presume their reports will be issued within the next month or so. The health authorities have assured the people of the area that public health is not in jeopardy.

This bill deals only with pesticides, and it is possible that the loss suffered by the farmers in my area may be traced to some other source. The loss of animals such as these is quite a blow to small farmers. Sometimes it is very difficult to find the source of contamination. The point I am trying to make this afternoon is that when examples of contamination arise with respect to any type of farm product anywhere in the country it seems to me there should be some kind of co-ordinated attack upon the problem. The health authorities would certainly have to enter the picture.

• (3:50 p.m.)

So far as the particular situation about which I am speaking is concerned, the provincial health services, Cominco officials at the Trail smelter, and officials of the B.C. Department of Agriculture, the federal Department of Agriculture and of the Food and Drug Directorate are interested in the problem. They want to find out how the lead contamination got into the forage and are following every lead they possibly can. I believe that a co-ordinated program should be laid out by the authorities of the federal and provincial departments of government in respect of pesticide poisoning or contamination from pollutants whether in the air or water.

While the bill covers loss to farmers from the use of pesticides, which naturally should come under the Department of Agriculture, there may be other causes of loss which should be investigated. I would appreciate it very much if the minister in the months ahead, if not now, would give some thought to this matter and consider having the officials of his department look into the possibility of tracking down all types of soil pollutants which in turn might get into forage. These pollutants might be detrimental in terms of loss of income to the farmers and in other ways to members of the public who might use the product concerned.

I thought I would mention this point because I feel that over the years we have to a very large degree neglected co-ordination of the facilities which could be used to track down and probably eliminate a good many of these problems before they become too severe. I leave these thoughts with the minister. I certainly commend the department for bringing in this legislation.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I cannot say I am wildly enthusiastic about this bill; I am not dancing for joy in the aisles. I believe it has some useful purpose. I should like to say to the hon. member for Bruce (Mr. Whicher), to whose speech I listened with some interest, that he will be surprised to know to what extent and how frequently we in Her Majesty's loyal opposition seek to say to the government that we approve of its legislative proposals. We are looking for ways and means to praise the government and for an opportunity to say that measures which they bring up to some extent at least meet the problems of the country. Unfortunately, however, try as hard as we do and as often as we do the government keeps denying us the opportunity to make statements of that kind. So when we have a bill of this kind which has, to use a term in the bill, a residue of good we are inclined to praise it. This is the reason some of my colleagues both in this party and the party to the left are probably a little louder in their praise than might normally be the case.

There are some pitfalls in this legislation which I should like to draw to the attention of the minister in good faith because this is a new principle and a matter in respect of which we are breaking new ground. I have every confidence that the minister and his competent officials will keep the matter under study. While very large powers are given to the government, the minister and the assessors to act by regulation, I believe that if the minister feels changes are needed he will come back to the house so that the matter may be discussed in the light of experience and development. It is for this reason I bring some of these matters to the attention of the minister.

I feel that the farmer, to an unconscionably large degree, has been placed in the hands of the government, the minister and the officials. I say this after an examination of the various clauses in the bill. I believe this is important because the minister is breaking new ground. I had some experience in farming in the Peace River country above the 55th parallel during the previous Liberal government when a farmer was obliged to have a substantial income in addition to his income from his

farming operations in order to make a go of things. Fortunately, I was engaged in the practice of law and made sufficient income to prop up my income as a farmer. I rather think that under the present government we are heading for the same situation. If it should happen that the constituents in my area I feel I could do better at home, then I will go back to farming buoyed up, in view of what the Minister of Finance is doing in respect of the estate tax, by the knowledge that I will have ample income from my law practice to keep the farm going.

Mr. Kierans: Are you asking for an opinion?

Mr. Baldwin: I do not think so. I do not believe the minister is an entirely unprejudiced witness under such conditions. In the Peace River country we raise a lot of cantaloupes and cucumbers. We even raise a lot of corn. My familiarity with hybrid corn has done me a lot of good in dealing with this government. I remember one year when we farmed at the foot of a hill in a valley in the Peace River country. In the spring, after about 18 acres of corn had been planted a heavy rainfall caused water to run down the hill. The corn was damaged. I learned later that the damage was caused by the residue from pesticide which had been used by the farmers over the hill. The crop was ruined.

When I read Rachel Carson's book "Silent Spring" later, I was interested in it for this reason. There are variations of the damage caused. A number of years ago a very large school of fish in the middle of the Pacific Ocean was found after examination to have absorbed certain pesticides which had caused the fish to die. In the world in which we are now living it is difficult to say where we are going, so I believe this could be very important legislation.

The legislation compels the farmer, in order to secure compensation, to throw himself entirely on the mercy of the government. In order for him to be eligible there must be a letter received by the Minister of Agriculture from the Minister of National Health and Welfare confirming that an inspection of an agricultural product of that farmer made under the Food and Drugs Act has disclosed the presence of pesticide residue and that the sale of that product would be contrary to that act or the regulations made thereunder. Having in mind how slowly the processes of government work and having in mind that the farmer must secure this certificate from the Minister of National Health and Welfare, we can see the many problems which might arise. We might wonder how promptly the Minister of National Health and Welfare would act in making his report. The minister must also be satisfied that the pesticide residue in or upon the product is not present because of any fault of the farmer. That is a unilateral decision the minister will make. I am not saying that this or any other minister may not make the decision properly but we know these will be decisions made in the field.

Mr. Olson: Technical problems.

Mr. Baldwin: I have been engaged in fighting technical problems for a great many years. I know how difficult it will be for a farmer faced with this problem when the damages may well run into thousands of dollars. This alone is reason enough why we should make sure we give the farmer all the protection we possibly can.

• (4:00 p.m.)

We then find that the next hurdle the farmer has to overcome is that he may be compelled by the minister to start proceedings in court to recover what the minister feels may be his lawful damages, or the minister may in turn request the farmer to assign his claim to the minister. I have had a lot of experience with cases of this type under the workmen's compensation act. They involve the individual in a great deal of difficulty. He comes into contact with government red tape at its worst. Yet this is another condition precedent to the farmer being eligible to receive some compensation. I do not quarrel with those clauses to the extent of saying they should not be there, but I am pointing out these things to indicate the problems with which the farmer will have to contend in trying to become eligible for compensation.

Now we come to the final stage to which reference has been made by my colleagues and by members of the New Democratic Party, namely, the question of appeals. I do not know where the government found the term "assessor". I think it goes back to the old admiralty courts. The assessors under the bill are judges of the Exchequer Court or the superior courts of the provinces. They act in a judicial capacity but they also act as *persona designata* under the terms of the legislation and are governed by its terms. Without in any way saying that these assessors will not give to the decision of each case a clear,

fair and independent judgment, they are in close connection and consultation with the government by the fact that they are entitled to promulgate rules in conjunction with the government. They can only award compensation in two instances; in other words, there can only be an appeal in two instances, one of which is if the amount awarded is less than the maximum amount of compensation prescribed under the act.

I suggest that the minister keep a close watch on what develops with regard to proceedings under the assessors and take up the very sensible point made by the hon. member for Kent-Essex (Mr. Danforth), the first spokesman for our party, concerning the possibility of appeal. The judges are judges of the Exchequer Court or a superior court and they decide in terms of thousands of dollars when they are acting in a civil capacity. When they are acting as judges of the Exchequer Court they make decisions under the provisions of the Patent Act, the Trade Marks Act, the Income Tax Act, as the case may be, and their decisions are subject to appeal. The fact that they have been lawyers and have become judges does not guarantee certainty that their decisions will be sound and proper.

Having in mind all the safeguards with which the government has surrounded this legislation, I suggest to the minister that it would not be unreasonable to hope that he might be prepared to consider, after having had an opportunity to observe the proceedings that take place, the right to an appeal from the assessor under certain conditions to another tribunal which would, of course, be the appellate tribunal of each province. The appeal might be only on matters of law. I am quite convinced that there will be challenges from time to time on questions of jurisdiction, and if the assessor is going to be the sole judge, the person who can finally, completely and solely determine the law as it is applied to the case of a particular farmer, farmers should have the right to appeal. I think the average farmer is left in a situation where, on seeing what is going to happen, he will shrug his shoulders and pass it by. I am talking from my experience as a member of the bar and as a farmer. I know what these people feel with regard to these problems in the law courts. I therefore suggest to the minister that it would not be a bad idea to consider the provision of an appeal.

I also ask the minister to keep a close eye on the matter of costs. There is a provision in the bill that costs can be awarded against the farmer. I would think that in most of these cases it should be a simple enough issue for the farmer to bring the case himself, to act as his own counsel, to plead the facts and to ask for compensation. I would hope this would be done. In a case where the assessor determined that the minister had not exercised his discretion properly in withholding the compensation asked for I would hope that costs could be awarded against the minister. I would like to think that even if this bill does provide for such costs being awarded—and we cannot do anything about it now—the minister would be very vigilant in determining any costs against the farmer where an appeal is made to an assessor. The bill should have the broadest and most equitable interpretation in order to bring to farmers, in this new approach in our relations with the agricultural industry, the fairness and justice to which they are entitled.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it was not my intention to take part in this debate but having looked at the bill in the context of what we heard last week about the enshrinement of a bill of rights in the constitution and then taking a closer look at this bill I find that this is one of the worst violations of human rights that we possibly can have. This is one of those bills where the purpose is generally laudable but where clause after clause represents a violation of rights. The minister can shake his head but I will point out to him quite a few areas in which there is an even greater denigration of the rights of the individual than under many other acts.

First of all, let us look at clause 3(2) under which compensation will not be paid unless the minister is satisfied of "the presence of pesticide residue and that the sale of that product would be contrary to that act", or unless he "is satisfied that the pesticide residue in or upon the product is not present because of any fault of the farmer, his employee or agent, or of a previous owner of the land on which the product was grown." Does this mean that the purchaser of land is going to have to take a certificate of indemnity from his vendor to the effect that no pesticides have been used on the land, that they have not been used improperly, and if they are subsequently found to have been used improperly that there shall be indemnity to the purchaser? I am sure the minister has not even thought of that point.

Mr. Olson: Mr. Speaker, we have thought about that point very carefully.

Mr. Lambert (Edmonton West): The net result is that the minister has ridden roughshod over the rights of a purchaser of land. At no time has the question ever been considered that a purchaser of land shall be held accountable for the negligent acts of a previous owner.

• (4:10 p.m.)

Remember, under this clause it is the negligent acts of the previous owner that penalize the present owner of the land. Yet the minister says this is perfectly all right. Any solicitor worth his salt will tell you that he will have to require from the vendor of land a certificate or undertaking of indemnity with regard to the proper use of pesticides. That is the first right that I think is being infringed upon.

Second, there is power in this bill for the making of regulations but there is not one word about the publication of those regulations. The minister can say all he wants, but I will take him through the testimony of the government officials at the time of the hearings on the anti-dumping bill to prove my point. If the minister wants to find out about this, he need only look at the Regulations Act in which there is a provision that empowers the Governor in Council to suspend the publication of any regulation. He does not have to publish if he does not want to do so. So why was this provision not included in the bill?

The government saw the point as a result of the hearings regarding the anti-dumping legislation and provided that the regulations made by the anti-dumping tribunal and by the government should be tabled by the minister and then spelled out in the act. Why was not this done with regard to this act?

Mr. Olson: They will be printed in the *Canada Gazette*.

Mr. Lambert (Edmonton West): There is provision in the Regulations Act for this not to be done. The minister can deny it all he wants and insist that he is right, but there is in the Regulations Act a provision which empowers the Governor in Council to eliminate or set aside publication.

Mr. Olson: Well, this will not be done.

Mr. Lambert (Edmonton West): This minister just sits there and says it will not be, but he will not be permanent in that position. We cannot be guaranteed that he or his successors will not find the occasion when it shall be expedient not to publish the regulations. All I say is that a provision for publication should be included in the bill. There have been many occasions recently when more and more we have been insisting, and we will keep on insisting, that regulations be published. It would not cost the Crown any more. It is just the approach of the government to which we take exception. Again, it is big government versus the individual, and it is the individual who is adversely affected.

The minister, when he sat on this side of the house, would have been the first to join me in taking the stand that I am taking this afternoon. I am only reasserting what I have said for I do not know how many times. Certainly I must have, 20 or 30 times over the past few years, taken exception to bills wherein there has been the power to make general regulations and no statutory provision whereby those regulations had to be published. If the minister can give us an undertaking that the Attorney General will bring in an amendment to the Regulations Act forcing the publication of the regulations or the tabling of them in the house, as they should be, I will be prepared to accept it. But it will be an undertaking by this minister.

Mr. Olson: This minister undertakes that the regulations applicable to this act will be published.

Mr. Lambert (Edmonton West): All right. We will see how far that binds the minister's successors. Let us consider clause 5. Again this will be a judgment decision by the minister, because clause 5 says:

> No payment of compensation shall be made to a farmer pursuant to this act in respect of a loss occasioned to him by reason of pesticide residue in or upon an agricultural product until the farmer has taken any steps that the minister deems necessary
>
> (a) to reduce the loss occasioned to him by reason of such pesticide residue, and
>
> (b) to pursue any action that the farmer may have in law against
>
> (i) the manufacturer of the pesticide causing the residue in or upon the product, or
>
> (ii) any person whose act or omission resulted in or contributed to the presence of the pesticide residue in or upon the product.

Now we see the intent of this measure. No loss will be payable unless the minister first of all deems in his judgment, whether reasonably or unreasonably, that the farmer has taken steps to reduce the loss because of the

pesticide, even though the loss may be occasioned by the use of pesticide by a previous owner of the land. The farmer must take steps against reducing the loss. He is forced to take action in a court against the distributor of the pesticide. There is no indication as to what kind of a lawsuit he must bring. There is no indication of what action at law he will have to bring forward, or what shall be the burden of proof with regard to any loss.

This measure will force the farmer to look into the requirements of registration of pesticide used by a previous owner of the land, about which he may have no knowledge. Yet the minister says he will not pay any compensation unless the farmer has taken the steps that the minister deems necessary to reduce the loss, or has taken action against the manufacturer. What sort of thing is the government giving on one hand and putting out both hands to take back? Rights! Again, this is the iron heel of bureaucracy on the neck of the poor farmer.

The farmer may have to sue not only the manufacturer of the pesticide but the hired man of the previous owner whose act of omission or commission was responsible for the misuse of the pesticide. I ask the minister to be fair in this regard. I trust the minister will never be in the position of having to face such a provision as this if he is a poor farmer caught in the meshes of this act.

Let us look at clause 7, which says:

> An inspector may at any reasonable time
>
> (a) enter any place or premises in which he reasonably believes there is any agricultural product, pesticide or thing that will enable him to carry out any investigation that may be required by the minister for the purposes of paragraph (b) of subsection (2) of section 3, and may open any container or package found therein or examine anything found therein that the inspector has reason to believe will assist him in such investigation, and take samples thereof, and—

The inspector may do all sorts of things. He does not need a search warrant or writ of assistance. He needs nothing. But in this day and age, when the police are seeking marijuana, hashish, l.s.d. or what have you, they must have a writ of assistance. A writ of assistance must be issued to an R.C.M.P. constable before he can enter a place where drugs are being distributed. Which is worse, a pesticide or narcotics? Which is worse, pesticides or drugs of the kind that are so popular today?

The powers given an inspector under this bill are more than those given to a policeman searching for narcotics. An inspector can look for pesticides without receiving the permission of anyone; he does this merely on his own judgment, at a reasonable time. I suppose that is anywhere between six o'clock in the morning and midnight. He can visit a farm at any reasonable time. You have only to read clause 7 to see what the inspector can do. He can take samples of the commodities. He may require any person in such place or premises to produce for inspection or for the purpose of obtaining copies thereof or extracts therefrom, any books, shipping bills, bills of lading, documents containing mixing instructions, or other documents or papers, and so on. Yet it is said there is no trampling on rights here. The inspector walks in and on his own judgment says that he wants this and that. Why does he not require the same sort of authority that a policeman must obtain when he is going after something that is much more noxious?

We are looking for pesticides here. I admit that they can do harm. But gracious me, they are nothing compared with narcotics. Yet the hands of the police are tied when dealing with narcotics. I will have something to say to the Minister of National Health and Welfare (Mr. Munro) about the Food and Drugs Act in regard to these matters. Why in matters of, shall we say, routine administration for the purposes of the Department of Agriculture do we give these absolute powers to representatives of the minister?

I now come to the point raised by my colleague the hon. member for Peace River (Mr. Baldwin) and others with regard to appeals against compensation awarded. I admit that the judges will come from the Exchequer Court and the superior courts, but I do not agree that the finding of the assessor should be final and not subject to appeal. I have raised questions about compensation, the question of law, the ownership of land, the nature of a certificate of indemnification, whether there is any notice, the degree of responsibility on the purchaser of land to determine whether there should or should not be pesticide used in connection with his farming operations. I have raised the question of the publication of regulations and why a farmer should be held responsible for ascertaining that a pesticides manufacturer has complied with all the regulations regarding the registration of the pesticide. Under this bill the farmer is the one who is responsible.

Under this bill all the burden is on the farmer; there is no burden whatsoever on the minister. The minister says he will pay compensation in respect of any product on which there is a residue of pesticide, subject to several conditions. The list of conditions that follows is both arms long. The minister has covered himself all round.

• (4:20 p.m.)

Mr. Olson: I do not think the hon. member has read Bill C-157 or he would not make assertions of that kind,

Mr. Lambert (Edmonton West): The minister has every opportunity to reply. I wish he would be advised by his legal officers. This is Bill C-155, not C-157. Why Bill C-157?

Mr. Olson: Because that is the pest control protection bill.

Mr. Lambert (Edmonton West): It is pesticide residue compensation I am talking about, Bill C-155.

An hon. Member: The minister is confused.

Mr. Olson: No, the minister is not confused. It is the member speaking who is confused.

Mr. Lambert (Edmonton West): The minister, by his intervention, is trying to confuse the issue. We are dealing with the pesticide residue compensation bill, and that is what I was talking about—pesticide residue. The minister has every opportunity to speak. He has been bobbing up and down in his place like a jack-in-the-box. I do not have the right of reply beyond this point and I wish to make my case.

The minister has made many interventions. Perhaps he has exhausted his right to speak—he did not rise on a point of order or seek to ask a question; he just stood up and made an assertion. Nevertheless, I have shown how in this year of 1969, with the government insisting we are moving into a just society, when we are seeking to enshrine a bill of human rights in the constitution, we are getting legislation of the type before us which from the point of view of a lawyer is wholly abhorrent. The minister or his advisors should read the proceedings of the annual meetings of the various law societies of the provinces or of the Canadian Bar Association. They would find that time and time again protests are made against excessive use of delegated powers this use of assessors or boards whose decisions are final and not subject to appeal.

I am not in the position to advance an amendment at this moment, but in my opinion this is terribly deficient legislation. In fact, I am prepared to vote against it on these grounds. It is a complete fraud because the burden is entirely on the farmer and the conditions imposed are all in favour of the minister. He has not taken a chance, not one chance, and the burden imposed on farmers is beyond all reason.

I hope, therefore, that further consideration will be given to this legislation. If the wording of some of these provisions cannot be amended by regulation we shall have to watch the situation most carefully because powers are granted here to inspectors which are not given to the police even for narcotic control. I suppose the minister will try to tell us that pesticide residues are worse than narcotics. The conditions imposed on farmers are almost impossible for them to fulfil. They will be the luckiest people in the world if they succeed against the department. This recalls the situation in some provinces where there is some kind of unsatisfied judgment fund. Motorists are told it is for their protection, but try recovering money from it. It is all right getting a judgment, but one almost has to take the province to court and fight the case all over again when it comes to collecting the amount awarded. As I say, I find this a most unsatisfactory piece of legislation from a legal point of view.

Mr. Deputy Speaker: I notice the Minister of Agriculture is anxious to speak but I must advise him he does not have the right of reply on third reading. If it is the unanimous wish of the house he may be allowed to speak.

Mr. Knowles (Winnipeg North Centre): I am willing to join in giving unanimous consent that the minister be heard, but I should like to speak, whether before or after the minister does not matter.

Mr. Deputy Speaker: Would the hon. member for Winnipeg North Centre (Mr. Knowles) like to speak now?

Mr. Stanley Knowles (Winnipeg North Centre): Thank you, Mr. Speaker. The generosity of the minister overwhelms me. Perhaps I may recall the stance which was taken with

respect to this bill by the hon. member for Kent-Essex (Mr. Danforth). I believe I can say that he reflected the views of members of this party. We feel this is, in the main, a good piece of legislation and most of its provisions are acceptable to us.

However, as hon. members are fully aware, the hon. member for Saskatoon-Biggar (Mr. Gleave) did move a couple of amendments at the report stage and one of them had to do with the very point about which the hon. member for Kent-Essex was most critical, namely, that in subclause 3 of clause 13 of the bill the right of appeal to another court is specifically denied in the legislation. We still feel it was a mistake for that subclause to have been included and we regret that the amendment moved by the hon. member for Saskatoon-Biggar was defeated. It was moved on Wednesday, February 12, as reported in *Hansard* at page 5445, and it was voted on that afternoon, the vote being recorded at pages 5448 and 5449. The amendment was defeated by a vote of 101 to 68.

I find myself wondering whether supporters of the Progressive Conservative party will not try a further amendment. Perhaps at the end of the debate which is taking place this afternoon the house might reconsider the question, and if any hon. members to my right would like my assistance I would be glad to draft for them a motion that the bill be not now read a third time but that it be referred back for the purpose of reconsidering clause 13, subclause 3 thereof. One should never give up. The fact that we were beaten at the report stage does not make it automatic that we will be beaten again at this stage.

• (4:30 p.m.)

I am aware of the fact that there are times when we advise people to stay away from lawyers and from the courts. There are times when it is better to get matters settled outside of the courts, or to get things settled in an atmosphere that is removed from the technicalities of the law. But I think that this case has to be looked at a little more closely. What we have here is legislation under which certain people—and I am thinking particularly of farmers in so far as they are covered by this legislation—can apply for compensation. To whom can the farmers apply? They apply to the Minister of Agriculture (Mr. Olson); they apply to the government.

Regulations in this matter are to be worked out, and we have been assured by the hon. member for Bruce (Mr. Whicher) that it will not be long before we see these regulations. I found that an interesting comment in view of the fact that on the orders of the day this afternoon I asked the Minister of Labour (Mr. Mackasey) when we will get the regulations made pursuant to the Canada Labour (Safety) Code. Do you know, Mr. Speaker, when we passed that bill? The then minister of labour urged us to get it through so that he could get the regulations passed, and that was in December, 1966, over two years ago. So the regulations do not always come immediately after the bill has been passed.

In any event, here is the picture. Under regulations that will be laid down the farmer will apply to the minister—to the government—for compensation. The minister, or the Department of Agriculture, will make a determination and an award. A farmer who is not satisfied has, according to the law, the right of appeal to an assessor. The assessor will be a judge of the Exchequer Court of Canada or one of the superior courts of the provinces. But he will deal with the matter as an individual on a separate appointment or assignment, not in a court following the usual court procedures.

In my opinion the farmer will feel that he is up against the same old brick wall. He applied to the minister for compensation. He was turned down or was given less compensation than he thought he was entitled to. The matter was then reviewed by an individual who happened to be a judge but who was given the assignment of assessor under an order in council passed by the government. The farmer who is aggrieved, who feels that he has not been given fair compensation, will feel that it is the same old story, that he is up against the government and has got himself involved in legalistic matters. There may well be cases where a farmer will feel that as a citizen of a free country he should have the right to take his appeal one step further, namely to a court of law.

I also note that the only matter that an assessor can consider and review when awards are either made or not made by the government is the amount of the compensation. Reading this legislation I see all sorts of legalistic technicalities. It seems to me that there is every chance in the world of there being fine points of law on which a case can turn. For a farmer to be told that he cannot get past (a) the minister and (b) the assessor, that he cannot get to the courts of the land, is

a denial of a basic principle of justice as we know it in this country.

So I urge the minister to reconsider this matter. I heard what he said in response to the hon. member for Saskatoon-Biggar (Mr. Gleave) the other day, and I have read again what he said in *Hansard*. The debate was very short. The point made by the minister was that these assessors would be judges. That was supposed to satisfy the hon. member for Saskatoon-Biggar. But I would make the point that they are judges wearing another hat. They are judges appointed by order in council to be assessors to review whether or not the minister who is responsible for their appointment has made the right decision as to the amount of compensation.

The minister's defence, to my mind, is not even plausible. I think that the clause in the bill that denies the right to a farmer to take his appeal to a court is not in keeping with the kind of legislation we should have. As a matter of fact, I think that the very title of the bill is misleading. It reads: "An act to provide compensation to farmers whose agricultural products are contaminated by pesticide residue, and to provide for appeals from compensation awards." On reading that it is quite natural to assume that an appeal would be made to the courts. But this is denied by subclause 3 of clause 13, and I think this is a mistake.

Since the minister has indicated that he is going to speak I hope he will deal further with this matter and give positive assurance that the regulations will not take as long to come as the regulations relating to the Canada Labour (Safety) Code. We have been assured that they will be published. But I hope that the minister will deal more effectively than he has with the denial of the right of a farmer to take an appeal to a court of the land.

Mr. Deputy Speaker: Is there unanimous consent to hear the minister at this stage?

Some hon. Members: Agreed.

Mr. Olson: Mr. Speaker, I will try to deal with some of the questions that have been raised in the debate. First, I think it should be drawn to the attention of the house as clearly as it is possible to do so that this bill is a new departure in legislation. It provides, in the first instance, the Minister of Agriculture with authority from this house to pay compensation to a farmer who has suffered a loss through no fault of his own as a result of the use of pesticides. Never before has statutory authority to do this been provided to the Minister of Agriculture.

Second, the bill provides a procedure for making an appeal against any decision that the minister may make as to the amount of compensation. Therefore I think it is in the context of those two fundamental purposes of the bill that we should consider all of the clauses and regulations that flow from those two principles.

The hon. member for Kent-Essex (Mr. Danforth) hoped that the government would demonstrate a willingness to amend the bill on the basis of experience, keeping in mind conditions that may exist from time to time. I am sure the hon. member will agree with me that this government has demonstrated by the very fact that it has brought in this bill a willingness to give authority and then to establish procedures for bringing about a greater measure of justice in cases where people are caught in situations that have arisen through no fault of their own.

The hon. member also mentioned that the government is protected under the provisions of the act whereas the farmer and indeed the manufacturer are not. This bill, as I read it, Mr. Speaker, in no way deals with the manufacture of pesticides. That matter is provided for under another bill. As the hon. member for Kent-Essex (Mr. Danforth) knows, Bill C-155 deals with compensation. It deals with rules of procedure and legal authority under which compensation can be paid after a farmer has applied for compensation. I think it cannot be overemphasized that the farmer now has the right to make application for compensation, which is something he never had before. The bill goes further. He has the right to appeal the amount of compensation awarded. This, also, is a right he never had before.

• (4:40 p.m.)

The hon. member raised the question of detentions with respect to products or chemicals. Under the provisions of this act there will be no detentions. They may be ordered under the authority of another bill to come before the house, namely, Bill C-157.

Although under this law the farmer or plaintiff has no right of appeal; neither may

the minister appeal the decision of the assessor. As has been said over and over again, the assessor, under clause 11 of the bill must be a person designated from the Exchequer Court of Canada or the superior courts of the provinces.

In arguing points of principle the hon. member for Kent-Essex tried to argue both sides of the case and he seemed to take contradictory positions. For example, he argued that there should be sufficient flexibility within the provisions of this bill to permit the Department of Agriculture and all assessors to deal fairly and justly with cases. Then he argued that there should be far more specific matters written into the bill. That would take away from the flexibility he was advocating two minutes earlier. I agree with him that in this departure in our law we need flexibility. We will need flexibility on the basis of experience to bring in amendments to the regulations if the regulations are insufficient to provide justice. Above all, the provisions of the bill must be flexible.

The hon. member for Roberval (Mr. Gauthier) at one point talked of animal carcasses which had been condemned because they contained residues of pesticides. I agree that compensation would be paid under the provisions of this bill. I must apologize for interrupting him, since at the specific moment I rose on the point of order he was talking about maximums that were to be raised or increased with respect to compensation to be paid on any one animal. That matter is dealt with in Bill C-156. We intend to prescribe these maximums by order in council instead of having them fixed, as they are now, in the statute.

I agree with the hon. member for Bruce (Mr. Whicher). He said that this is the first time a farmer has had the right to appeal. To give him that right was one of the major purposes in bringing forward this legislation.

The hon. member for Brandon-Souris (Mr. Dinsdale) referred to clause 13(3). He pointed out that the decision of the assessor on any appeal brought pursuant to that part of the bill is final and conclusive. The hon. member for Edmonton West, (Mr. Lambert), the hon. member for Winnipeg North Centre (Mr. Knowles) and others made a great deal of to-do about this subclause. That subclause has not been introduced for the purpose of denying anyone any fundamental right. What must be borne in mind is that before a farmer can in fact make an application for compensation his product must have been condemned under the Food and Drugs Act by an inspector working for the requisite department. It seems to me it is easier and better for a farmer to bring an appeal to an assessor and to have that appeal final, because all the procedures involved will be less expensive, I suggest, and simpler for the farmer to proceed under. The contention that has been made that here we have a case of the government fully protecting itself in the matter of an appeal and leaving the onus on the farmer in all cases is just not credible. That is because the limited purposes of the act are to provide an authority which will enable compensation to be paid to farmers whose produce has been condemned.

Mr. Lambert (Edmonton West): Well, that is what the minister says.

Mr. Olson: I see the hon. member for Edmonton West raises an objection. I suppose one could go through an act and pick out methodically those sections that are inserted to make sure that public funds are adequately protected, or that any department of government will spend public moneys in a certain way. Under this legislation it is necessary for us to know that, within reason, necessary action is being taken and that a matter will be referred to assessors who, as has been pointed out a dozen times today, will be competent to listen to evidence and judge whether the minister's decision with respect to the amount of compensation is fair or not fair.

Mr. Dinsdale: Would the minister permit a question? Why does he insist that the bill shall exclude the right of appeal to the courts, on the ground particularly that such a right would involve great expense for farmers? In most cases that right would not be used frivolously. Why does the minister not leave the door of final appeal to the courts open to the farmer?

Mr. Olson: The matter works both ways. The department or the minister cannot appeal from the assessor.

Mr. Dinsdale: But what about the individual? What about his rights?

Mr. Olson: We take the position that at some point the decision should be final. That point is spelled out in clause 13(3).

Mr. Dinsdale: That is what we are complaining about. This is the just society.

Mr. Olson: The hon. member for Kootenay West (Mr. Harding) referred to colts in his constituency that were affected and wondered whether the problem is being looked into. The entire matter involves the co-ordination of activities of several departments of government which are responsible for pollution and contamination. We are working on that problem with others who are involved. At present there does not seem to be any hazard to human health. The matter the hon. member raised does not come under this legislation in any case because what he referred to is not produce that has been condemned for sale. Therefore there can be no compensation under the provisions of this bill.

The hon. member for Peace River (Mr. Baldwin) had a good deal to say about certain legal aspects of the bill and I do not want to argue with him on the finer legal points. He said that the members of his party would like to find ways to compliment the government for bringing in good legislation. He went on to say that they could not find many such opportunities. I hope he is not suffering from some kind of narrow or tunnel vision, because there have certainly been a great number of opportunities during the session to compliment the government. If he is unable to recognize those opportunities, that is his problem and not mine.

Mr. Knowles (Winnipeg North Centre): Name two.

Mr. Olson: The hon. member also raised the matter of the technical competence of personnel in determining whether a farmer has taken every possible action to reduce his amount of loss. It is fair to suggest to him that if we set up another route of appeal to determine whether pesticides in fact were present, or how they got where they are, it would be tantamount to setting up another technical committee to do exactly the same kind of work that will have been done by technicians in the Department of Agriculture and many other competent people in this field who have been called upon to examine the situation. With regard to the assignment to the minister of the farmer's right to sue the manufacturer, I cannot agree with him in that respect. That was included in order to make payment sooner than if we were to wait for the farmer himself to exhaust all of the possibilities of reducing the loss or indeed taking action which may be the responsibility of others.

[Mr. Dinsdale.]

• (4:50 p.m.)

I would also advise hon. members that we do conduct a co-ordinated attack in conjunction with the Food and Drug Directorate, the Department of Agriculture and provincial authorities in order to solve problems of pullution and contamination. At this stage we do not feel that a set procedure would be applicable as pollution and contamination may vary greatly. For the information of hon. members there is also an interdepartmental committee on pesticides whose main function is co-ordination of effort.

I do not intend to go very much further, Mr. Speaker. I am giving this explanation because all of the clauses in the bill were discussed in the standing committee. I would like to say to the hon. member for Edmonton West that in so far as the right of inspectors to enter premises to take samples is concerned there is no right under this act for an inspector to do so unless a farmer applies for compensation. The inspector then has this right because this bill deals with compensation.

He also mentioned the publishing of regulations. He said he has asked 20 or 30 times during the course of several other debates that it be mandatory for the government to publish regulations. This is a matter to be taken up with other departments. The Regulations Act requires publication in the *Canada Gazette* of any regulation affecting the rights and duties of a citizen and the penalties they may incur. If the hon. member has any argument with that interpretation I suggest he take it up with the Minister of Justice (Mr. Turner).

The regulations under this act will be published. It is necessary to have sufficient authority under the act. When public funds are being used it is necessary that all reasonable action be taken so that there will not be fraudulent practices. Public interest in the national treasury must be properly protected.

Mr. Lambert (Edmonton West): May I ask the minister a question at this point? I have not the right to speak a second time. Under clause 7 there is no restriction that the inspection must be limited to the land of the farmer who applies for compensation. The inspector may move into adjoining land or other premises. To that extent I say this goes farther than the power of the police under the Narcotics Act.

Mr. Olson: That, Mr. Speaker, is not the intention of the government. I do not want to

argue with the legal competence of my hon. friend in this respect. There is no intention that it shall be used indiscriminately or to abuse any citizen. With the exception of this bill, no citizen of Canada has any right to compensation for a product withheld from the market due to pesticide residue under the Food and Drugs Act. This bill at least provides the authority to the department to pay.

The hon. member for Peace River dealt with the fact that the farmer is obliged to reduce the loss occasioned to him to whatever extent possible and to pursue any action he may have in law against the manufacturer or any other person. It may be necessary for the farmer to wash, trim or sort farm products in order to reduce his loss. That is why this provision is included in this bill. We must be satisfied that the farmer has done everything within reason to keep the loss as low as possible.

I repeat what I said at the outset, Mr. Speaker, that this bill is a step forward in providing authority to the Minister of Agriculture to pay compensation out of the public treasury to a farmer who has had his products condemned or withheld from sale by another department in pursuit of their activities to reduce the human health hazard. There is a right to appeal decisions that have been made. That has not been provided in any other act previously. We have taken a long step forward to provide a higher measure of justice to a farmer who has had his product withheld from sale through no fault of his own.

Mr. Robert McCleave (Halifax-East Hants): I had not originally intended to enter this debate, Mr. Speaker, until I read the curious provisions in part II of this measure dealing with compensation appeals. I suggest to the minister that they be scrapped and provision made for an appeal to an Exchequer Court judge or Supreme or Superior Court judge. Many people in this country feel that judges should not be subjected to criticism because of outside duties. However, by calling them assessors in this case this criticism would be justified. A farmer should have the right to carry his grievance as high as possible. The provisions regarding compensation appeals cover everything in regard to the appointing of assessors with the exception of saying that the judge concerned shall wear overalls under his judicial robes to make the farmer feel at home when he appears before an assessment tribunal.

• (5:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Champlain (Mr. Matte)—Post Office—inquiry as to closing of post offices; the hon. member for Fundy-Royal (Mr. Fairweather)—Principle of accessibility of reports and studies undertaken for the government by outside professional groups; the hon. member for Waterloo (Mr. Saltsman)—Veterans Affairs—Feasibility study of guaranteed annual income.

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.

NOTICES OF MOTIONS

EXPROPRIATION ACT

SUGGESTED PROVISION OF GREATER PROTECTION FOR CITIZENS

On the order:

Mr. Thompson (Red Deer)—That, in the opinion of this house, the government should give consideration to amending the provisions of the Expropriation Act (R.S.C. 1952, c. 106) with a view to giving greater protection to citizens against arbitrary interference with their property rights by departments of the federal government, and to the establishment of more suitable procedures for the transfer of title and possession of land expropriated under the authority of this act.

Mr. G. W. Aiken (Parry Sound-Muskoka): Mr. Speaker, on behalf of the hon. member for Red Deer I have been asked to speak to this notice of motion and to ask that it be withdrawn from the order paper in view of the fact that a similar motion was debated last fall and also because of the announced intention of the Minister of Justice to introduce a new expropriation law in the near future.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

Housing

HOUSING

SUGGESTED REFERENCE OF SUBJECT TO STANDING COMMITTEE

Mr. Robert McCleave (Halifax-East Hants) moved:

That the question of housing in Canada, including public housing, expropriation practices affecting older homes, financing of home building, the drawing up of a national code of minimum housing standards, and transport services for residential areas, be referred to the Standing Committee on Health, Welfare and Social Affairs, in order that the said committee may consider and report upon all aspects of national housing policies and their administration.

He said: Mr. Speaker, there is considerable interest in the housing problems of this country. There are several reasons for this. One is that the problems have certainly not disappeared and possibly have become aggravated since we met here for the opening of parliament in September last year. Second, the Minister of Transport (Mr. Hellyer) has placed a public document before us which, while contentious in certain aspects, is certainly written in a refreshing kind of English and tends to present the problems rather well.

I wish to deal with particular aspects of my motion, and I shall try to get through my contribution as quickly as possible so that other hon. members may have an opportunity to take part in the debate. Furthermore, since the Minister of Transport has promised legislation within a short while it will not particularly grieve me if my motion is talked out or even if it is defeated. In any event it provides a useful vehicle for the next 57 minutes or so to have a go at housing problems.

One great deficiency in the report of the task force on housing concerns the problems of those in the lower income brackets. The report is very weak in this area. To compound the weakness, the minister has frozen public housing programs until new measures can be introduced, and so what is a bad problem can only become worse. During the debate we had on housing on November 12 last I pointed out some of the problems relating to the need for housing of those with low incomes. As recorded at page 2661 of *Hansard* for that date I quoted G. Roland Hennessy, Assistant Executive Director of the Federation of Catholic Charities in Montreal, as saying that in 1946 27 per cent of the population of Montreal was destitute and in 1966 the count was 33.3 per cent.

Mr. Hennessy said today 38 per cent live in "poverty, privation and misery" and 50 per cent suffer unbearable financial hardships.

[Mr. Deputy Speaker.]

The minister's freeze on public housing will be no solace to the people of Montreal who are in that plight.

With respect to the great city of Toronto Robert B. Bradley of the Young Men's Christian Association has written:

In metro Toronto we have a waiting list of approximately 13,340 bona fide applications representing some 26,000 children desperately in need of instant housing they can afford.

From the other great metropolis of Canada we have another staggering statistic pointing to the need for action and, as we know, Toronto is the only city in Canada that has made fairly substantial use of National Housing Act policies and national funds to do something about the plight of the poor. Therefore I think the minister's freeze is a great error and is not calculated to give assurance to those who need better housing in the so-called just society.

My motion also refers to the need for drawing up a national code of minimum housing standards. Here I borrow from the example of my own city of Halifax where ordinance 50 has been in effect since 1958, dealing with minimum standards for housing accommodation. Just before coming to the chamber to take part in this debate I called Bill Clancy, the information officer for the city of Halifax. He in turn contacted G. B. Jefferson, the building inspector, and they have provided me with information which I think will be of interest to hon. members.

In the years between 1961 and 1968 there were 2,909 violations under ordinance 50 where the city building inspector required that repairs be done. All these were carried out with the exception of 173 cases where the homeowners had to be taken to court before they would repair their property. The ordinance is a pretty wide, encompassing one. It deals with light, plumbing, room space, outlets, stoves and ranges and that sort of thing. I am told by Mr. Clancy that of the 2,909 violations where repairs were ordered they were mostly structural repairs.

The reason I dwell at some length on the need for minimum standards is fairly obvious. We cannot go out holus-bolus, level all the old housing stock in Canada and then expect everyone to have a roof over his or her head. A minimum housing standard is one of the ways to ensure that even older homes are kept up to a reasonable standard so that the need for housing does not become

worse. I know that this has worked reasonably well in my own city even though Halifax, like other places, also has a housing shortage.

Some of the points about ordinance 50 may be of interest to hon. members. When the inspector of buildings determines that there are reasonable grounds to conclude that there has been a violation of the provisions of the ordinance he gives written notice to the owner or occupant of the building concerned requiring certain action to be carried out within 180 days, and if they do not do it then court action follows. Perhaps members would be interested in one particular section of the ordinance. I will put section 4 on the record:

• (5:10 p.m.)

The owner of every dwelling shall maintain the same and every part thereof in a state of good repair. For the purposes of this section "a state of good repair" shall mean:

1. That the roof is so maintained as not to leak and all water from the roof is drained and conveyed therefrom so as not to cause wet floors, walls or ceilings or to cause a nuisance to adjacent buildings, or not to overflow upon abutting or adjoining property.

2. That all walls, foundations, basements, cellars, steps, floors, ceilings, stairways, stairwells and railings are maintained in a good and safe condition to the satisfaction of the inspector of buildings.

3 That the exterior is maintained in a clean and tidy state to the satisfaction of the inspector of buildings.

So I suggest that from one standpoint at least the setting of minimum standards for buildings is one useful step that could be undertaken. I realize that our parliamentary jurisdiction in this field is probably limited, but at least through our great Central Mortgage and Housing Corporation we can work with the municipalities in an effort to bring about improvement in housing by encouraging the use of such ordinances.

Another point I should like to make concerns the cost of homes. I believe we have been deficient, federally speaking, in not taking advantage of research to bring about new techniques in mass production or other modern methods in an effort to bring down the cost of housing. We know that incredible steps were taken in research by the United States and Russian space teams in respect of insulating the ships they have hurled into outer space so that the very cold temperatures on the outside would not affect the constant temperature on the inside. Someone told me it is possible to insulate so that a cup of coffee can be kept at about the same temperature for 500 years. If we are capable of that kind of research and that kind of product we should be able to come up with equally good answers in respect of lowering the cost of housing for the citizens of Canada.

The removal of the sales tax is old hat so far as reducing the cost of homes is concerned but yet is an important element.

I should like to dwell for a moment on mortgage interest rates. The figures are incredible when one looks at the cost of carrying a mortgage. I have taken the example of a $20,000 mortgage and have looked at it from the standpoint of a 20-year payment period and a 35-year payment period. I arrived at both the monthly rate at 6 per cent and at 9½ per cent and the total amount paid. Let us take first of all a 20-year mortgage in the amount of $20,000. At 6 per cent the monthly payment is $142.44 or a total payment, including principal and interest, over the 20 years of $34,185.60. In other words, the principal payment is $20,000 and the interest payment is $14,185.60. But at today's interest rate of around 9½ per cent on a $20,000 mortgage for a 20-year period the monthly payment would be $184.05, the total payment would be $44,172, the repayment of principal would be $20,000 and the interest payment would be $24,174.

I now move to a 35-year period because of the flirtation of the task force led by the Minister of Transport with a long-term mortgage of that type. For a period of 35 years the monthly payment at a rate of interest of 6 per cent is $113.06. The total repaid over the 35-year period, assuming one lives that long, would be $47,485.20. In other words, $20,000 would be paid in principal and $27,485.20 would be paid in interest. All those payments were at the 6 per cent level. It has been some time since a home owner in this country could finance a home at 6 per cent. Let us see what happens when the interest is 9½ per cent. On a $20,000 mortgage paid back at 9½ per cent interest over a period of 35 years the monthly payment is $161.57. The total payment would be $67,859.40. In other words, $20,000 would be paid back in principal and $47,859.40 would be paid in interest.

This type of financing, this type of burden, is really at the heart of some of the recommendations in the task force report. We in this parliament cannot blind ourselves to the need of coming to grips somehow with the problem of high interest rates. I have one suggestion in this field which might at the same time solve the problem of the interest rate and the problem faced by superannuated civil servants. I believe that the government

now pays 4 per cent on the money it borrows from the superannuation fund. If it paid 6 per cent or 7 per cent there would be sufficient money to pay more to the superannuated civil servants and the government could provide money for housing at a cheaper interest rate. That may seem like a very simple solution but I believe it at least merits some consideration by the members of the House of Commons.

There is a final point in respect of urban transportation with which I should like to deal, but I said I would keep well within my allotted time and therefore I shall thank the house for its consideration and listen with interest to the views of other hon. members.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I congratulate the hon. member for Halifax-East Hants (Mr. McCleave) for placing before us a motion of a heterogeneous nature which really affects half a dozen standing committees of this house in its implications. It deals with responsibilities related to three levels of government and perhaps even four if one considers transportation in an urban centre such as metro Montreal or metro Toronto. In view of the shortness of the period in which this matter has been brought up for debate I apologize to hon. members for a rather sketchy and unprepared presentation on a subject which could really be headed: Problems affecting at present over 70 per cent of Canadians and by 1980 well over 80 per cent.

A number of provincial and municipal laws are involved in this motion. Even the most simple of the topics touched upon in this motion, that relating to the building code, is of no easy and ready solution if analysed in more detail. A minimum national standard code on a national basis is of course a desirable thing provided the framework or structure of a remote region is not used for determining the evaluating standards in a city. In other words, a national code which would settle for the lowest common denominator certainly would not go a long way in meeting the question before us. I believe it should be a code which would take into consideration, for instance, the number of fires which take place in dwellings in rural areas and which would permit the municipalities who wish to do so to enforce higher standards in the light of their experience and local requirements. Within that compass a national code would make considerable sense, but the question of enforcement would have to be met.

[Mr. McCleave.]

A question might be asked concerning whether the municipalities would be prepared to spend the money necessary to hire inspectors at their respective salaries. As an example I might mention that in the city I come from there are 50 housing inspectors employed to maintain what is considered to be a sound housing standard. This is a considerable expense which is paid for by the citizens in that area. Therefore I am saying that one can, of course, advocate national codes but these various factors must be kept in mind. I ask, what will be the minimum common denominator? Will the municipalities be willing and in a position to accept the additional burden? There are solutions to these problems, of course, and policies which can be implemented to reach this goal, but they are probably long-range policies.

• (5:20 p.m.)

Central Mortgage and Housing Corporation could insist, which it has not in the past, that before granting loans for urban renewal, sewers and other projects the municipality making the application must apply those standards which conform to whatever the federal government has laid down in a national code. There are, therefore, ways of implementing this policy at the federal level.

When it comes to the question of granting loans to applicants throughout the country, probably the best way to do it would be to introductive incentives through the loan arrangements of Central Mortgage and Housing Corporation. There are many solutions to the problem. In the long run I would be inclined to think that such a policy would produce satisfactory results. Of course, Mr. Speaker, this is just one of many ways to approach the problem.

I am giving these examples only to outline the complexity of the matter and to illustrate how the various levels of government and decision-making in other places are affected. A national code such as is raised in this motion is perhaps the least difficult of all measures to administer. The most difficult, I suggest, is the question of housing. This is a most bedevilling and complex issue when contrasted with the one I have been discussing.

When thinking about the problem, how to plan for the future and how to proceed in order to meet requests in the field of housing, I cannot help arriving at the conclusion that priorities being what they are, resources being what they are, and considering the

trend established in the past, there will have to be a point, which we hope will be reached in the very near future, when a national housing policy must very strongly favour those Canadians who have limited earnings, let us say up to $5,000 a year. I think we will have to first meet the demand from this sector of the Canadian public.

Let us consider the figures made available by the Dominion Bureau of Statistics. The figure of 170,000 dwelling units a year reflects, in the vast majority of cases, housing for middle and higher income groups. My understanding is that in any given year perhaps only 2 per cent of the total number of dwelling units represents public housing. Therefore if we continue a policy of housing centring around 170,000 or 200,000 dwelling units a year, such a policy will continue to meet the demand of those who by and large, with sacrifice of course, can afford the down payment and the further payments required to buy a home. But it will not meet the demand of those on limited incomes.

I should like to give the house an example. In metropolitan Toronto alone there are over 13,000 people on the waiting list for public housing. These people are waiting for the type of house they can afford. They cannot afford those on the market at the present time. This list consists of a variety of segments of the population, amongst whom are a great many mothers who are the breadwinners for their families. This figure of 13,000 is a considerable one and is the cause of grave concern.

While the policy of providing public housing through Central Mortgage and Housing, the provincial agency which derives funds from it, and the municipal government, has been as active as it could be, as the years go by the problem does not seem to resolve itself and in fact seems to be getting ahead of us. Therefore it commands enormous attention. In addition there is the question of large urban centres. Here I am speaking of the larger Canadian city in which every year a larger or smaller number of migrants and immigrants settle, depending upon the conditions which exist at the time. The nature of migration and immigration is such that in the vast majority of cases these people have limited reserves and funds and are usually searching for employment. They are people for whom I think our society has to make provision, at least in the initial stage, for adequate housing upon settlement. In the larger cities this is becoming a real problem.

With regard to housing as defined briefly here by the hon. member for Halifax-East Hants (Mr. McCleave), one cannot of course ignore the question of urban renewal, its implications, and everything that has been written on the subject in recent times. I urge the Minister of Transport (Mr. Hellyer) to continue to strengthen the policy of urban renewal because we have learned techniques, through experience in the past, which are extremely useful.

• (5:30 p.m.)

Perhaps one might be prone to condemn what has been done so far in certain areas, but in the final analysis one has to say that if errors have been made, it is these which have helped us to arrive at certain conclusions this year. It was necessary and indispensible for us to have had this experience. Therefore, urban renewal as we have seen it in Canada so far has had a highly desirable effect. It was the best possible policy available to those interested in housing in the light of the historic experience in this country, and it was the best possible way of resolving the problem in an urban centre. Certainly, there are ways of improving upon that policy. This is the approach to take. I do not think the answer lies in the dispersal of public housing in the community. It lies probably in a combination of approaches because what has been done in the past has proven to be useful and the new ideas which have emerged could also prove extremely useful to Canadians today and to future generations.

Inadvertently one shifts back and forth, as I have been doing, touching upon urban renewal and public housing because there is a tendency to mix the two. Urban renewal sometimes includes public housing, sometimes it does not. Urban renewal has brought about new houses in areas where public housing was needed, and therefore the two are not always synonymous. What I am saying in essence is that it is desirable to continue our urban renewal policies because the planners in our cities, such as Hamilton, Toronto, Montreal or other large centers, are now in a position to submit plans and make proposals which reflect refinements and techniques which are the result of past experience. There is a certain sophistication in Canadian urban renewal techniques of which we can be extremely proud. We can only be proud of them because we have learned from our experience in our cities through the years. This is the attitude we should take in order to build upon the achievements of the past.

It is with these thoughts in mind that I would urge the minister to continue the urban renewal policies, with the innovations required, and to give all possible financial and other assistance to the public housing endeavours in our major Canadian centres. These endeavours should be encouraged and stimulated because public housing is in the greatest demand. I am inclined to think that the trend toward greater demand for public housing will not diminish. I think it will increase through the years for a number of sociological reasons which are, perhaps, beyond the scope of this particular motion. The motion involves a number of provincial acts. For instance, if one were to consider Ontario, there is a provincial act which has implications both for housing and for transportation in a metropolis. I am referring here to the assessment act, as it is known in Ontario. This act as presently drafted could be termed a rurally oriented assessment act for a number of reasons. At present it penalizes the home owner who endeavours to improve the quality of his house. Except for a coat of paint, anything that a property owner in Ontario does to his house makes him liable to reassessment and to an increase in taxes. How can one expect the maintenance of quality houses or the improvement of the stock of housing available in any community in this province if the initiative of the individual owner is stifled in this manner? It is a form of what I may call private enterprise urban renewal which should be actively encouraged. By that I mean the encouragement of the initiative of the individual owner who tries to improve his house. Such measures will, I am sure, discourage future urban renewal projects unless the respective provincial acts are reviewed and changed in the light of the needs of our large cities. The assessment act is a typical example.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Max Saltsman (Waterloo): In rising to support the motion of the hon. member for Halifax-East Hants (Mr. McCleave), I would like to make a point about the importance of the examination of some of the recommendations that have come to us regarding housing. I think it is most important that this matter be referred to the committee and that we have the benefit of the views of people with wide municipal experience such as, the hon. member for Davenport (Mr. Caccia), and the hon. member for York West (Mr. Givens). I think when members who have had this type of experience have examined the report of the task force they will find the report wanting.

I find it difficult to understand how someone like the Minister of Transport (Mr. Hellyer), who is obviously looking for a place in history, was able to come in with such as "nothing" report. As a matter of fact, it is a very damaging report to the future of housing in this country. Perhaps, this is not the way the minister feels. Perhaps he feels that he has accomplished a great deal with his task force. However, I for one cannot avoid the feeling that he started out with a preconceived notion and ended up with a preconceived notion; that the dialogue was just a facade and in many ways a fooling of the public who participated. Had he started out with an open mind, had he truly consulted people with experience in this field, and had he been willing to listen, his report undoubtedly would have been different. He seems to be doing everything the wrong way and taking all the wrong attitudes.

First of all, let us look at the question of mortgage money. Apparently, the minister's solution is for the government not to raise funds but to throw the whole responsibility for the availability of funds on the shoulders of the private lenders, even to the extent of reducing whatever protection exists in the interest rate at the moment. I suggest that such a proposition would be disastrous to the future of housing in this country and would remove the only lever that the federal government has for ensuring that its responsibilities for housing can be discharged. This is the only instrument at the minister's disposal for making some of the changes that he wants to make. Let us consider one of the changes that he has discussed, namely the question of a national building code.

• (5:40 p.m.)

It is obvious that the multiplicity of building codes across Canada has frustrated the best efforts of people who are trying to cope with the housing shortage. Something has to be done in terms of land use, construction costs and all the other things which come under a building code. How can the minister gain acceptance of a standard building code applicable across this country, having regard to the special difficulty of doing so under our federal constitution? I suggest there is one

way in which we could do this. Instead of directing responsibility for raising mortgage money back to the private institutions, as he seems to be doing, he might step up the government's program to attract money to the Central Mortgage and Housing Corporation under the N.H.A. In other words, he would have the opportunity of saying, in effect: We shall not make N.H.A. money available in any area which does not conform to a national code.

This is the one way open to him if he wants to break through the multiplicity of nonsense codes which presently exist across the country. If the minister does not know why these codes have come into being, somebody should tell him. They exist, not because the municipalities do not want a national code or because they do not recognize the logic of establishing such a code. They exist with certain objectives in mind. Some of them are perverse. They were created deliberately to ensure that certain kinds of housing activity do not take place. Unless the minister is prepared to break down this determination on the part of some municipalities to restrict the type of housing built in their areas, his whole effort will come to nothing and the desire to establish a national building code is bound to be frustrated. Of course, everyone who has been associated with municipal work knows how heavy are the burdens imposed. One can even understand why municipalities have gone to the extent of creating codes almost impossible to comply with. Some municipalities around Toronto insist, for example, that only houses costing more than a certain sum can be built.

The reason is obvious. They want to strike a balance between revenue from industrial, commercial and residential assessments. A municipality which fails to do this finds itself in grave difficulties. Most municipalities count on revenue from industrial and commercial assessments to help them underwrite the cost of residential construction. A municipality which gives no consideration to these questions may easily find itself a bedroom town. The revenue from industrial and commercial assessments goes elsewhere, and it is left with the burden of providing schools, social services, sanitation and so on for its resident population. The minister should be prepared to deal with this situation, not by bludgeoning the municipalities but by offering alternatives to the present system.

This is one suggestion which I should like to offer, one which could perhaps be placed before a committee for examination. A way has to be found of collecting at least some of the revenue from commercial and industrial assessments at the federal level. It could then be redistributed across this country on a more equitable basis. This would make it possible to get to the root of some of the difficulties faced by parts of this nation.

It is obvious that difficulties arise when all the industries are in one place and all the houses are somewhere else. Then again, there are depressed areas which nevertheless have to bear the cost of education and social services for a population a considerable part of which will ultimately choose to leave the area to seek employment elsewhere. Plainly, the federal government lacks the power to collect industrial and commercial assessments as is done presently by the provinces. But it could be done in a different way. It could be done through a special tax on corporations, the proceeds from which would be redistributed across the country. The argument might be advanced that the provinces would not be amenable to such a suggestion. Mr. Speaker, in Canada as a whole there is one province which has a special concern about its culture and its language. That province might find it difficult to accept such a proposition as I have advanced.

By and large, however, I believe the English speaking provinces would be willing to listen to a proposal of this kind, as they have in the past been ready to listen to propositions relating to federal aid to particular areas. There does not seem to be much difficulty as far as English speaking Canada is concerned. To my mind, the Prime Minister (Mr. Trudeau) does a disservice in this regard when he says that every province must be treated in the same way. In doing so, he is refusing to recognize that every province is not exactly the same as the others. Each has its own difficulties, its own hang-ups, if you like.

These are approaches which should be explored. I am not suggesting that the proposal just outlined is the only answer. I am not even sure the provinces would accept an answer of that kind. What I am suggesting is that these ideas should go to a committee where they could be aired and discussed by hon. members experienced in municipal affairs who would also give us the benefit of their own ideas and get us on the road to making good the shortage of public housing in Canada.

My feeling about the approach taken by the Minister of Transport is that it is not useful in the least. I am surprised, for instance, that the government has neglected to avail itself of the services of the hon. member for York West (Mr. Givens), a former mayor of the City of Toronto. I can remember that a couple of years ago the hon. member for York West, out of his long experience of municipal government, made a suggestion that urban transportation might be provided free of charge. There was not much of a response to this idea, yet I think it was a very good one. Ideas like that should be discussed. We tend to subsidize almost every kind of transportation except urban transportation. The number of cars crowding our highways create a vast handicap in the development of our society, yet we constantly look the other way. And when suggestions such as that put forward by a former mayor of Toronto are advanced they are largely ignored; it is even difficult to find a forum in which they can be adequately discussed.

I cannot understand why the Minister of Transport should have taken such a short-sighted position with regard to the raising of mortgage money. No one is asking that the government be given special advantages in connection with the raising of mortgage monies to be lent out again to the people, but surely we should not say that the government ought to be placed at a disadvantage, as the minister appears to be doing. After all, if the trust companies and the banks can go out and borrow from the public why should the government not be able to do so? Why should it be less worthy of this kind of trust than are the financial institutions of this nation?

• (5:50 p.m.)

There are some advantages in a government going to the money market. First of all, governments are usually able to borrow funds at a lower rate of interest because of public confidence. Secondly, their mark-up would be less than that of present financial institutions. Thirdly, by having access to these funds they could set the conditions under which the funds are lent.

The hon. member for Davenport (Mr. Caccia) made what I thought was an excellent observation. He pointed out that at the moment much of the money that is being lent by private mortgage companies goes for high priced housing, that almost none of it goes for low cost housing. Anybody who argues that the federal government should not be able to make such vast sums of money available because it might lay down conditions, should ask himself why people are prepared to accept the conditions laid down by private lenders. Do they think that they are more trustworthy than their own government, or more intelligent than the elected representatives of the people? In those areas in which the government has become involved in housing it has at least started to act in the public interest in a way that the private lenders either will not or are not able to act.

Therefore, I think that if the minister gives up this opportunity to assemble funds to be used under the direction of the government, he really gives up the opportunity, first of all, to influence the direction of housing in this country and therefore dooms his own proposals. Secondly, he gives up the right that I think the government has of making some value judgments about which groups in our society need the most help at any given time.

Another point that should be examined is mobility. The Minister of Transport has made a virtual fetish of home ownership. He has consigned all those who rent to the status of second class citizens with his snide little comment about vertical filing boxes, as though anybody who lived in an apartment was to be frowned upon, as though there were something wrong with somebody who did not own his own house or piece of land. How shortsighted can this minister be! In light of the evidence today one cannot help but realize we are living in an increasingly mobile society, one which will become not less mobile but more mobile. Rigid home ownership for many of our people is an inhibition to this mobility. If there is any single thing in this country preventing movement of workers from depressed areas to areas that offer more opportunity it is the emphasis that is placed on home ownership. These people are locked in, as though somebody had put them behind bars.

In his report, the minister referred to the high cost of transfer fees, legal fees and realty fees. Often the transfer fees exceed the capital increase in the property. The high cost of fees seriously interferes wih people moving from one area to another or from one kind of residence to another.

There is another kind of mobility. For example, why should a person live in one house all his life? Surely, the needs of the young married couple are altogether different from the needs of the family of five or six. Surely, those needs change again when the children grow up and leave the homes of

their parents. Needs change throughout one's life. Therefore, why retard economic mobility, and also this social mobility that is so obviously required? For this reason I find it very difficult to understand the kind of propositions that are put forth in the report of the task force, and this is why I believe the house should unanimously approve the resolution that has been introduced by the hon. member for Halifax-East Hants (Mr. McCleave) as a worth-while contribution to the examination of housing problems in Canada.

Mr. Barney Danson (York North): Mr. Speaker, it appears I have very little time in which to deal with a subject that is of considerable interest to all of us. However, I think those of us who have spoken can all be grateful for the opportunity to talk about urban problems. I wish to compliment the hon. member for Halifax-East Hants (Mr. McCleave) for introducing this subject. He has shown his usual consideration and thoughtfulness by recognizing that the report of the task force has been submitted and that it contains many recommendations of merit.

The hon. member for Waterloo (Mr. Saltsman) made some severe criitcisms of the minister. I concede that one can look at the report and find much missing or reasons to be discouraged because we have not moved sufficiently fast. But let us bear in mind what has happened. I think we are very fortunate indeed to have a report of this kind before the members of the house and the people of this country at this time. Considering the very limited period of time the task force was at work, I think it has come up with a fairly comprehensive document that is authoritative. Many people say there is nothing new in it, but I say there are many things that are new as well as many things that we knew before. The report is comprehensive and, coming from such a group, it is also authoritative. We are fortunate that the study was not given to a royal commission because it might have dragged on for years.

As the hon. member for Halifax-East Hants properly pointed out, the report does fall short in certain areas, particularly that relating to public housing. This is true also of student housing, but perhaps properly so. The intention when the task force began its work was to bring in a report containing recommendations that could be implemented in time for the 1970 building season. I feel it is an amazing feat to have the report at this time. There are many things particularly good about it. First, it sets the proper climate; it establishes the proper priorities and challenges the private sector to do its job; and it sets a target of a minimum of one million homes in five years.

In the limited time at my disposal, I will deal with but one point in detail, namely, financing. If I may be so bold, I should like to refer to my own submission to the task force which deals with mortgage funds. I will not quote it verbatim. I suggested an infusion of large amounts of money that are now in low yield investments into the mortgage market. I am talking particularly of funds that belong to the older people in our society, who have been through the depression and who guard their money very jealously, and rightly so. I can understand their concern about this. Their money is deposited in trust companies or banks where they make a 4 per cent return. If they were to make 5 per cent they would become nervous; they would think it unsafe and would rather bury it in the ground than take a chance.

I suggest, in keeping with some of the recommendations of the report, that a crown corporation be established to channel these funds, along with perhaps funds from the superannuation fund of the federal government about which the hon. member for Winnipeg North Centre (Mr. Knowles) speaks, into the mortgage market. The need to give these people a much better return on their investment and a much better pension is one of the priorities that we must face in this house.

The fact is that when we guarantee this money to private lenders, mortgage companies, trust companies, insurance companies and so on, we should be able to guarantee the investments of our most senior and beloved citizens. According to estimates I have made, there are probably 100,000 elderly people in Canada with $10,000 tucked away. This would realize $1 billion, sufficient to provide 50,000 $20,000 mortgages. It might also be reasonable to assume that there are 10,000 people with $50,000 tucked away, and this would produce another half a billion dollars. Perhaps we have enough there for 75,000 mortgages of $20,000. If all the complaints we have heard about the estate tax are valid it would appear that another 10,000 people each have $100,000 tucked way. That makes another $1 billion. There is enough money put away in safe investments to provide 125,000 mortgages of $20,000. Perhaps we could bring this money

into the mortgage market, guarantee its safety, and use it as leverage. It could be introduced into the market at a point or two below the current mortgage rate. To compensate those bringing the money forward, the profit on this money could be made deductible from taxes. Perhaps qualifying provisions permitting the deduction of such profits from taxes could be made similar to the provision contained in the old age security legislation which spells out those who are eligible to take advantage of certain parts of that legislation.

• (6:00 p.m.)

Mr. Deputy Speaker: Order, please. The hour for the consideration of private members' business having expired, I do now leave the chair, to resume it at 8 p.m.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

AGRICULTURE

COMPENSATION FOR CONTAMINATION BY PESTICIDE RESIDUE

The house resumed consideration of the motion of Mr. Olson for the third reading of Bill C-155, to provide compensation to farmers whose agricultural products are contaminated by pesticide residue, and to provide for appeals from compensation awards.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, at the moment before five o'clock I was making a speech on a bill to provide compensation to farmers whose agricultural products are contaminated by pesticide residue and to provide for appeals from compensation awards. A short fraction of time later I was speaking on a housing resolution I had placed on the order paper some time ago. Since then we have all been treated to a series of slides by the Minister of Transport (Mr. Hellyer) in charge of housing. If I spoke about them I would be out of order. I will return to the business of pesticide compensation.

I wish to make as succinctly as I can two points regarding this bill because several other bills hinge upon the provision that we are being asked to enact in this particular measure. First, with regard to the compensation appeal, I object to the suggestion that judges of the Exchequer Court of Canada, the Superior or Supreme court of the provinces, be appointed assessors under this particular measure. Before stopping at five o'clock, I stated I presumed it was the intention of the minister to ask these judges to garb themselves in overalls under their judicial robes so they would appeal more to the people appearing before them, the farmers of Canada. I object to the principle enshrined in part two of this bill. As a lawyer, I feel this is a wrong principle. I think when judges of the court are asked to stray outside their jurisdiction and assume other titles, such as commissioner or royal commissioner, this makes it difficult for themselves and their courts.

Any farmer in Canada seeking compensation for damage from pesticides would be much happier if he could appeal from the Minister of Agriculture and the departmental officials to a court rather than appeal to somebody called an assessor. I suggest he would much rather hear the words "Here come de judge" rather than "Here comes the assessor".

Looking through this portion of the bill which brings me to my feet, I am confirmed in my decision to resist it. I shall argue as eloquently as I can with the minister and the government that this particular portion be changed and that other acts be changed as well. Other acts hinge on what we are being asked to pass now. It is wrong for the government to have the right to set a maximum amount of compensation for the farmer who suffered damage from pesticides. The farmer should be entitled to seek damages first from the minister, then if he is not satisfied, from an impartial authority. It is wrong to set a ceiling on compensation.

The minister would serve the purposes of the act and the farmers of Canada much better if he would agree to strike out most of part II covering the compensation appeal and substitute the words that the farmer would have a right to appeal on a question of law, a question of fact, or both. This would be an appeal to the Exchequer Court of Canada or provincial judges acting in their stead. In that way, the farmer would feel he had at least been given his day in court.

I must confess I had not studied the particular sections until today. I was horrified when I did study them. The minister should hearken to voices such as my own who regard

this type of approach to the law of Canada as an anathema. According to clause 13, an appeal may be made to an assessor who may then refer the matter back to the minister for such further action as the assessor may direct. The assessor, who would be a judge of the Exchequer, Superior or Supreme Court, would become functus, his job would be discharged.

• (8:10 p.m.)

There is nothing to say that the minister must accept what the assessor has directed at that particular point. There is nothing to say, and in fact I think the law would point the other way, that the farmer if aggrieved in respect of what the minister did at that point could carry the case any further. Of course, this is a point in the law which any dozen lawyers could interpret in a dozen different ways; but I believe a lawyer would say, in looking at this, that the danger would be once the assessor had made up his mind, although the minister would be either free to accept or reject the recommendation, that the applicant had no further course for relief. This is the reason I say that the minister and the government, dedicated as they are to lip service to a just society, whatever that may be, should take a fresh look at this matter. Many other acts are involved in this. I hope that the minister and the government will decide that these many paragraphs should be replaced by a simply expressed right to appeal to a judge of the Exchequer Court of Canada, the Superior Court of Quebec or the supreme courts of the other provinces not only in respect of questions of law but also questions of fact. I hope the minister will harken to this appeal.

Mr. George Muir (Lisgar): Mr. Speaker, I think it is a good thing that the lawyers in this house are taking a look at the fine print in this bill. As a practical farmer, I find it is rather unfortunate that legislation of this kind, designed primarily to assist the farmer who through no fault of his own finds his product unsaleable because of pesticide residue, is so hemmed in whith details. The conditions laid down by the minister and the officials of his department will make it extremely difficult for the farmer to benefit from this legislation.

Mr. Olson: This bill is made for farmers, not lawyers.

Mr. Muir (Lisgar): Then, I think it should be in simpler terms because farm people like simple language. We like to have things spelled out and not left to regulations. The intent of the bill is good, but the denial to the farmers of the right to seek recourse from a decision of the minister, except by an assessor appointed by the minister whose decision is final, makes one wonder whether the whole intent of the bill is destroyed by its interference with the rights and privileges of a citizen to seek justice in a court of law.

Indeed, it does not seem to be simple justice that a farmer must explore almost every other avenue of compensation for crop loss before he can turn to the government for assistance. We might take, for example, a farmer who bought a farm in good faith from someone who obviously either had contaminated it himself or had allowed it to be contaminated by someone working for him before he sold it. Surely, in such a situation the minister would not expect the farmer to seek compensation from someone who has long since given up his interest in the property. This could cause years of anguish to the new owner by reason of prolonged court action. If the intent of the bill is to assist the farmer, would it not be in the best interests of the farmer and the general public that the farmer be assisted as much as possible? This would be especially true if the residue had been placed on his crop or on his land other than through his own negligence.

With these very brief words, may I conclude by saying I hope the minister will take a broader view of this legislation in order that it may be made not only workable but worth while.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I rise to take part in this debate particularly with regard to clause 13(3) wherein it is stated that the decision of the assessor on any appeal brought pursuant to this part is final and conclusive and not subject to appeal to or review by any court. I am quite sure this is not the minister's wording. The wording must have originated with the officials of the department. I am wondering why the minister, being a farmer, would have agreed to this wording. Under Canadian law there are very few acts in respect of which an appeal cannot be made to our courts. This is a principle of British justice to which the people of Canada are entitled. I understand there is one provision in connection with income tax which is contrary to the principles of British justice because according to it one is guilty before he goes to court and must prove his innocence. I do not think the

minister wishes to impose such a provision upon the farmer. Therefore, I wonder why this provision is included in the bill.

There is another act with which I have been involved under which there is no right of appeal to the courts, although I believe there should be. I have in mind the Pension Act. We have courts to decide these questions. I question why the minister has included this clause in the bill, particularly when he has retained for himself under clause 5(2) the right to appeal to the courts where he deems it necessary. The minister may require, as a condition for the payment of any compensation to a farmer under this act, the consent of that farmer for the minister to pursue on his behalf any legal action against any manufacturer or persons referred to in paragraph (b) of subclause (1). I ask the minister whether he can explain to the farmers and the members of this house why he precludes the farmers from recourse to the courts while he wishes this right for himself. There is the provision in clause 15 to the effect that, subject to the approval of the Governor in Council, the assessor may make such rules respecting the conduct of appeals and the procedure for the bringing of appeals as he deems necessary to enable him to discharge his duties under this act.

If the assessor is to appoint the judges, then it is conceivable there could be 200 sets of rules because I am informed there are over 200 judges in the Dominion of Canada. In the event that one judge differs from another which opinion would be applicable? I am quite sure this situation does arise in a number of cases, otherwise there would not be the safeguards there are under our judicial system. A similar situation would exist if all members of this house or all members of one party could not agree. When we have British justice in our courts, why do the officials deny the farmers of Canada their rights? I think this is a very dangerous piece of legislation; it just adds to the other dangers we have. If the bill is passed, we will be shirking our responsibility as members and shifting the onus to somebody else. We will, in fact be passing the buck to somebody else.

• (8:20 p.m.)

I would like to say something about the qualifications of the assessors, Mr. Speaker. The minister says they will all be judges. I agree with the two hon. members who preceded me; I do not think this is a task that should be imposed upon the judges of Canada. I am quite sure that our legal organizations would frown upon this type of legislation which places Canada's judges in the position where they could be charged with being adherents of political patronage. I do not blame the present government, because it could happen if we were in government—which will not be very long.

Some hon. Members: Oh, oh.

Mr. Olson: You won't live that long.

Mr. McIntosh: It is quite easy to see that some hon. members opposite have not got their ears to the ground. I do not understand why the minister insists upon having part II included in the bill. The hon. member for Halifax-East Hants (Mr. McCleave) has already mentioned this point. It seems very devious to me that the minister will not give the farmers the right to appeal to the courts. The minister wants to retain this right unto himself. As I say, our judges will be put in a very bad position. Once a person is appointed to a judgeship, we assume that he is above political pressure. If our judges are asked to take on such a task as this, they will be subject to political pressure or political criticism. I do not think the minister wants to place our judges in this position.

I hope the minister will agree to withdraw this part of the bill. It is hypothetical whether any appeal cases will be brought before our courts. If the assessor is a good, qualified man, I doubt that the farmers will dispute his decision. However, as a precaution, and just in case a farmer does dispute the assessor's decision, I think that under our judicial system, under our just society as some hon. members say, the farmer should have the right to appeal to the courts. This is the part of the bill to which I object. In some of our acts, the accused or the defendant is not given the right of appeal to the courts. I say that we, as members of this house, are shirking our responsibility if we do not give our farmers the right to appeal in this instance.

I would therefore ask the minister to consider withdrawing clause 13(3) from the bill. I do not understand what advantage the minister will have by leaving the clause in the bill, except that it will give more power to some bureaucrats—and I think they have too much already.

Mr. Woolliams: That is exactly what the Prime Minister (Mr. Trudeau) said.

Mr. McIntosh: Well, why doesn't he practise what he preaches? I ask the minister to reconsider this clause of the bill. Unless he can come up with a good reason for the clause being in the bill, he should be prepared to withdraw it. The minister should allow the farmers the privileges for which he is asking in the bill.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise to speak very briefly on this bill because there is one part of it with which I cannot agree. Also, I do not believe the farmers of this country agree with that part of the bill to which I take exception. I think we are all in favour of the principle of Bill C-155, entitled "An act to provide compensation to farmers whose agricultural products are contaminated by pesticide residue, and to provide for appeals from compensation awards."

That all sounds very good until you start reading the fine print. When you do, you find that if this bill is passed it will operate in such a way that if it is believed a farmer's crop has become contaminated, the minister may, and will, appoint an inspector to inspect the crop and see whether it has in truth become contaminated. If the inspector decides that it has become contaminated, he will advise the producer of the crop of the compensation the government will pay him for that crop. The farmer will not be allowed to move or sell his crop, but must destroy it. If the farmer agrees with the compensation suggested by the inspector, there is no problem.

Mr. Olson: That will be the situation in 99 per cent of the cases.

Mr. Hees: But if the farmer does not agree with the compensation that is suggested, and feels it is unfair—and this may easily be the situation in many cases—the government will appoint an assessor to judge the case. I should like to read clause 13 of the bill, which will apply in this situation:

> Upon the hearing of an appeal brought pursuant to this part, the assessor may
>
> (a) confirm the decision of the minister,
>
> (b) subject to any maximum amount of compensation prescribed pursuant to this act and applicable to the loss in respect of which the appeal is brought, vary the decision of the minister, or
>
> (c) refer to matter back to the minister for such further action as the assessor may direct.
>
> (2) In any proceedings under this part costs may be awarded to or against the minister.
>
> (3) The decision of the assessor on any appeal brought pursuant to this part is final and conclusive and not subject to appeal to or review by any court.

That is the part to which I, on behalf of the farmers whom I represent, object. I think it is eminently unfair. This clause says that, in fact, the minister will be the investigator and the judge; there will be no appeal from the decision of the assessor. Let us remember that the assessor will be appointed by the minister. If the assessor, appointed by the minister, makes a recommendation for settlement with which the farmer concerned does not agree, there is, according to this bill, no appeal from that decision. Therefore, the government has the complete and final say in this regard. As has been said in the debate this evening, under British justice there is always an appeal.

I believe that in this case an appeal must be allowed. This is why I appeal to the minister. In fairness to the producers of this country whose crops may become contaminated, in cases where the assessor's decision does not meet with the approval or agreement of the farmer or producer—that is, if he thinks the decision is not fair and equitable—the farmer or producer should be given the right to appeal the decision to the courts and have the matter decided there. As far as I am aware, in every other case appeals may be lodged and decisions handed down in this way.

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

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I had hoped the minister would say something about the debate that has taken place on this bill.

Mr. Speaker: Order, please. I have to remind the hon. member that we are on third reading and the minister has no right to reply.

• (8:30 p.m.)

Mr. Woolliams: That may be true, Mr. Speaker, and I am quite appreciative of the new rules. I would like to say something about the new rules because they are the subject of my complaint. If the minister wanted to make a change now he could get unanimous consent of the house to do so. However, if the new rules are going to operate in this way, then we are fenced in. This is what really happens, with the greatest respect, and I do not want to go into that side of it. In answer to your direction, I want to say that we have first reading and second reading. Then, a bill goes to a standing committee.

We must remember that government members are going to approve these bills. Members in the opposition have a certain responsibility here—

Mr. Speaker: Order. I have to remind the hon. member of the rule under which we are operating. I am also informed that the minister has already obtained unanimous consent and has replied. He has already spoken once more than he should under the rules. I am not disputing the point of order raised by the hon. member, but this having been said perhaps we can get on with the bill itself.

Mr. Olson: Mr. Speaker, on the point of order that has been raised I would draw Your Honour's attention to *Hansard* for February 12, page 5445 where an amendment was moved by the hon. member for Saskatoon-Biggar (Mr. Gleave) that clause 13(3) be deleted. A decision on that amendment was taken by the house as recorded at page 5447 of *Hansard*. I am not insisting that this be done but I am pointing out that a decision relating to clause 13(3) was taken by the house a few days ago, negativing a motion by a member to delete that subclause from the bill. It is certainly not within my competence to revive a matter that has been decided by the house.

Mr. Woolliams: That is the very point I am going to make. Certainly, that is exactly what happens. The minister has just proven my point that government members stand up and approve of these things and under the new rules it is very difficult for the opposition to attack. Under the former rules, when a bill went to the committee of the whole house it could be attacked.

Some of us on this side of the house have a sense of responsibility: I would ask the minister to reconsider his position. Knowing him personally, and knowing his responsibility to the farmers, I know that he does not want to fence them in. Years ago farmers did not use the kind of chemicals that are now spread on plants. They used sawdust with a poison mix spread around the boundaries of their farms. Now, chemicals are sprayed on the grain itself.

Under this bill if an assessor is appointed and fixes compensation, there can be no appeal against his decision. Not too long ago I was pleased when I heard the Prime Minister (Mr. Trudeau) say that the cabinet was going to run the country and not the civil servants. I notice that the minister applauds. I point out to him that this legislation is giving the power to civil servants, to men who may not want it, and this is directly contrary to the suggestion made by the Prime Minister.

Clause 13(3) says:

> The decision of the Assessor on any appeal brought pursuant to this Part is final and conclusive and not subject to appeal to or review by any court.

This clause takes away the civil rights of farmers and producers. Government supporters will have to tell the people in the rural areas that they approve of this. As one of my colleagues pointed out today, under this bill a person purchasing land would have to get a certificate saying that the land is clear. To me, that is carrying the law a long way. It is contrary to what we have done in the past. I know the minister has spoken twice in this debate but I would like to hear other members of the government tell us why this right of appeal is being taken away.

Mr. Olson: It has not been taken away.

Mr. Woolliams: The minister says it has not been taken away. It is very clear from clause 13(3) that it has. I was not a member of the standing committee. I cannot attend the meetings of all committees. That is one of the problems under the new rules. These new rules are now being tested here, and they are also being tested by public opinion. Clause 13(3) says that there shall be no appeal to any court. If that is not clear, and does not mean what I have said, then I cannot read English.

One of my colleagues asks what is the motive behind this. The motive is straight dictatorship, to take away the civil rights of the producers and the people of Canada.

Mr. Hees: In the new just society.

Mr. Woolliams: The trend of late has been for parliament to pass legislation giving the Governor in Council the right to pass orders in council, and the orders in council are so very far-reaching that really the law is made by bureaucrats and not by parliament. I am not criticizing members of the public service because if they are given the responsibility they must act as they see fit. But I am shocked that the minister introduces such legislation and tries to ram it through under the new rules.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order. I did not want to interrupt my colleague from Calgary North. There is something that Your Honour will have to take under consideration. It is the

point of order raised briefly by the Minister of Agriculture (Mr. Olson) that there having been an amendment put forward at the reporting stage and it having been negatived, it is then impossible for members of the house on third reading to refer to the same principal and put forward an amendment with an instruction to refer the matter back to the committee.

I would put it to Your Honour that what the minister is arguing is completely false. First of all, an amendment can be put forward in the standing committee and negatived by that committee. It is then open to any member of the house, including a minister of the Crown, to put forward a similar amendment, and even in identical terms, at the report stage. There can then be debate and a decision taken by the house. I would put it to you that there is nothing in the new rules which would inhibit Your Honour from accepting discussion at third reading as we have, and as took place much earlier today in extenso, on this particular point.

Your Honour cannot prejudge the remarks of an hon. member because he may finish his remarks by moving an amendment, which is permissible under third reading, that the bill be not now read a third time but be referred back to the standing committee with certain directions touching directly on the clause which had been subject of amendment at the report stage. So, I maintain that the point of order advanced by the minister in attempting, shall we say, to influence the debate or the remarks made by my colleague from Calgary North, was not in order. I may be arguing what is already understood, but I want to make the point perfectly clear that it is our view that we can move such amendments within the terms of reference for amendments on third reading, and that in leading up to such amendments remarks can be made dealing with the subject dealt with at the report stage.

• (8:40 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is only if Your Honour is going to make a ruling on that point that I want to take time to speak on it.

Mr. Speaker: The point is that I have no intention of making a ruling.

Mr. Knowles (Winnipeg North Centre): Then I am satisfied, Mr. Speaker. May I just state that I agree with the point made by the hon. member for Edmonton West (Mr. Lambert), and will so argue if the point of order is raised seriously and Your Honour has to rule on it.

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

Some hon. Members: On division.

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

ANIMAL CONTAGIOUS DISEASES ACT

AMENDMENTS RESPECTING COMPENSATION, APPEALS, ETC.—REPORT STAGE

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-156, to amend the Animal Contagious Diseases Act, as reported (without amendment) from the Standing Committee on Agriculture on Thursday, February 13, 1969, be concurred in.

Motion (for concurrence) agreed to.

PEST CONTROL

REGULATION OF PRODUCTS USED IN CONTROL PROCEDURE—REPORT STAGE

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-157, to regulate products used for the control of pests and the organic functions of plants and animals, as reported (with an amendment) from the Standing Committee on Agriculture on Wednesday, February 12, 1969, be concurred in.

Motion (for concurrence) agreed to.

INCOME TAX ACT AND ESTATE TAX ACT

The house resumed from Thursday, February 6, consideration of the motion of Mr. Benson for the second reading and reference to a Committee of the Whole of Bill C-165, to amend the Income Tax Act and the Estate Tax Act, and the amendment thereto of Mr. Saltsman (page 5191).

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in addressing myself to the amendment, I want to put some emphasis on how it will affect the farmers of this nation and, I suppose, also small businesses. The small business man operates much the same way as the farmer in that he tries to gather together and hold enough capital to operate an enterprise on an individual or a family basis. I will not quote the percentages because I think they have been quoted adequately by the speakers who have preceded me, but in looking at the tax rates proposed in this bill it seems to me

that the amount which will be demanded in estate taxes from the family farm business will be such that it will be difficult for those farm businesses to continue.

Certainly, this proposed taxation measure is of real benefit to the wife, and so it should be. In the family farm business particularly, the wife has contributed substantially to whatever estate there is at the time of the husband's death. But the point that I am really concerned about is whether or not this type of farm can continue to exist on the Canadian scene. If we are not particularly concerned with who controls the farming resources, and particularly the land of this nation, perhaps we do not need to be concerned about the estate tax structure. But if we do have some ideas as to the type of farm we want, which I happen to have, then we do need to be concerned about the type of estate taxes we have, the manner in which they are applied and whether or not they will permit a certain type of farm structure to continue. The land resources of this nation, including livestock if you like, will be farmed whether they are farmed by a family farm type operation, which has been the practice until now, or whether they are operated by a corporate structure. Somebody will still produce corn, flax, rapeseed, wheat, soya bean, sugar beets and potatoes. But I happen to think that we will have a better structure if the ownership of our land resources is maintained under individual control. If individual control of the land is continued, I believe it will allow for more competition. I do not think there is a more competitive structure in the nation today than in the farm sector, unless it is in the fisheries, as has been pointed out by some members of the house. In the farm industry, there is a type of competition which our society finds desirable. If we want to continue this system we will have to have a tax structure which will enable this type of operation to continue.

The weakness of the estate tax which is proposed under the bill, and which also existed under the old act, is the fact that it is imposed at the very time of the greatest weakness in this type of business, namely, when it is being transferred from one generation to the next. This is the time when the government says: "We want a bite out of it". I suspect this is also true of the small businesses, although I have no special knowledge in that area. At this time the generation that is leaving the farm is trying to take enough out of it to retire or to satisfy some other member or members of the family.

[Mr. Gleave.]

• (8:50 p.m.)

At the same time, the son or the son-in-law who is taking over must find capital to replace whatever had been taken out by the father or the mother who had retired. What is to be done in cases like this? The government wants to raise money, and certainly it has to do so. But what is to be done in terms of preserving the structure of our farms? The recently appointed president of the Canada Grains Council says we should promote the commercial farm, not out of disregard for the litle farmers but out of regard for the industry as a whole. The commercial farmers, he says, will form the base of Canadian agriculture. I have a high regard for the president of the Canada Grains Council, Mr. Runciman of the United Grain Growers. I have known him for a number of years. The government must have a high regard for him, too, because they have just appointed him to what I am sure they consider to be a key post in the affairs of western Canada.

I would say to the minister through you, Mr. Speaker, that I am thinking in terms of the commercial structures which he himself has in mind in the range between $50,000 and $200,000, which represents the capitalization one finds in most of our operating farms in western Canada today: one should not collect any estate tax at all if it is intended that farms of this type should continue. When an estate reaches a figure over and above the optimum amount needed to run the size of farm the minister wants, the revenue department can probably collect estate tax without endangering the structure which is thought desirable. But up to that point, no estate tax should be collected. I say to the minister that this principle has in part been recognized already, since provision is made for deferring settlement for a certain period of time. This is permitted simply because the minister realizes that the period during which ownership changes is a time of greatest weakness in the structure. The people coming in cannot immediately pay the tax. For this reason, the government allows payment to be deferred over a period of so many years. I would point out, Mr. Speaker, that during these years the occupant of a farm will be taking operating capital out of the undertaking in order to pay the tax which the government demands. During all this time his standard of living will be reduced and only a bare minimum will be spent on operating equipment.

In my opinion, we should collect no tax from a tenant as long as a farm stays in direct tenure within a family. If a son or a son-in-law takes over, do not collect any tax. Let it rest in abeyance, or do not levy it at all. Once a farm goes out of the tenure of a family, then collect all the tax that is due. You see, Mr. Speaker, if we want family farms to continue, if we want individual ownership of farms to continue, it will be necessary to develop a tax system which encourages their continuation. Otherwise, they will disappear.

The margin of return to a farmer-operator is simply not sufficient to allow for paying of estate tax and at the same time to maintain the operating capital that is needed. Figures can be found everywhere to support this contention. I shall not even bother to quote them because they can be obtained from so many sources, and have been published by so many economists. I say it is in the interests of the Canadian people to consider an approach of this kind. The Canadian people are getting the benefit of cheap food. An hour's work in the manufacturing industry today will buy more pork, or more beef or more bread than it used to buy. I put the figures on record during a previous debate, and I shall not repeat them now. The consumer is getting a good bargain and it is therefore in the interests of the Canadian people to see that the present type of farm structure continues. They are getting a bonus every year.

The arrangement I have suggested would also prove of advantage in deterring rapidly escalating land values. It would encourage a farmer to hold on to his land. If he placed it on the market he would immediately lose his advantage. The advantage to the operating farmer would be to continue operating his land from one generation to the next. Today, the advantage to the farmer lies in selling his land. We should be developing real social objectives as far as farming and agriculture are concerned. We ought to decide on the kind of farms we want, and then develop tax laws and estate tax laws in particular which will encourage farms of that kind to continue. I do not think anyone is wise enough to be able to say arbitrarily that a farm ought to be of this size, or that size, but we can determine broadly what we believe to be a desirable objective and then work out the kind of tax laws which would encourage farms of that type.

The farmer is already in a poor bargaining position as compared with other sectors of society. He does not possess the bargaining power of the professional groups, or of large scale industry or of the labour unions. He is willing to go into the market place and bargain his capital and labour. I say: consider the value of this group of people to the economy and ask yourselves whether the type of taxation upon which you decide, the estate tax particularly, encourages them to continue.

Let me give the house an example. A man in my constituency wrote to me about a gift he had made to his son. I think he had six quarter sections of land. He wanted his son to continue on the farm with him, so he gave him a quarter section and placed a certain value on it. But the estate tax people came along and said the land was worth more. In the end, the farmer had to find about $400 in order to give his son a quarter section and get him started. I would have no objection, supposing he had given his son a few thousand dollars, to the estate tax collectors taking a certain share of it. I hold no brief for the withholding of tax on large amounts of money passed from father to son—possibly because I was not given any such amounts myself.

• (9:00 p.m.)

Someone in our group stated the proposition that if a young man or woman of decent education and reasonable intelligence received a windfall in the form of so many thousand dollars, he or she should pay tax on it. I am not arguing for the individual but for a structure in our society that is of value. I am not taking a moral stand; I do not think morality has very much to do with this. But I do not think that if a farmer whose farming operation is not making him particularly rich decides to give his son a start in farming he should be asked to pay society for the privilege.

In the area where I live and farm young men are leaving the farms, not staying on the farms. It is good farming area, well developed with good sized farms. But unless we provide some incentive and make it worth while, these young men will not stay. We are insisting on burdening them with a load of debt so that they find themselves working for the next 10 to 20 years in order to pay interest at 8 or 9 per cent on 25 or 30 per cent of present farm values. If they have any brains they will say that the game is not

worth the candle. Therefore, I ask the minister to see whether he can persuade not only himself but those who advise him that the matters I have referred to this evening should receive some consideration.

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, the two constants of mankind are supposed to be death and taxes. The minister has contrived to get them both in the one bill for our consideration tonight. Estate tax is what we call it, but what we are really dealing with here is a capital gains tax because an estate is capital; it is stored labour. It differs from other capital gains taxes only in the time of its collection. It is collected after the owner's death from his heirs. To my mind this should be one of the most fair forms of capital gains tax, and it is this broad statement that I should like to expand a little later in my remarks.

The bill itself, of course, is not simple. Very few things involving government or law are simple any more. I suppose we might as well face this complexity as one of the burdens of modern society; there is no point in our lamenting the fact. Some of us may look with some regret to days not long ago when there were simple wills. I can recall one in my riding of Coast Chilcotin which was written with a pencil on one sheet of store newspaper. A rancher left his ranch to his sons to be divided equally between them. The instructions on the sheet of paper were very simple. The eldest son was to draw the line dividing the ranch in half and the younger son was to have first choice of the halves. It worked very well.

Another example occurs to me and I recommend it for study to the minister's staff. This was the case of an Indian who had died leaving all his wordly goods to one of two sons. The will was to be decided in this way. These were the instructions. The two sons were to take their best saddle horses and there was to be a race. The son whose horse was last across the finish line would inherit the entire estate. You may be able to anticipate, Mr. Speaker, what happened: the two sons got on their horses but neither man would move from the starting line. Fortunately there was an old Indian in the village and they called on him to break the stalemate. He looked the situation over and gave some brief instructions. The race was won; one horse came in first, one came in last, and the estate was settled according to the will. The minister has such experts on his staff that I am not going to tell him what the solution was, except that the old Indian solved the problem with two words. He was not a politician but a man very brief in speech.

In this bill as first presented there were provisions with which I strongly disagreed. The bill, in my opinion, did not reflect some of the realities of life that affect small businesses—farms, ranches, to name a few. I noticed that many of us made complaints about the bill. As a matter of fact, the other day the minister said that slightly more than 100 complaints from government members had been received, and as I recall it the opposition parties also contributed eight. So, members on all sides of the house were concerned about the bill. Speaking for myself and for several others, there were three points to which we took strong exception. One of these concerned the sudden burden placed upon small estates closely held, of which ranches and farms are a typical example. The sudden impact of even moderate estate taxes could be very damaging to such holdings.

It is true that even under the present act it is possible to arrange time payments. The minister says that only about 40 people in the last decade asked for such arrangements to be made and this makes me very doubtful that many people were aware of this provision. In any event, time payments should have been made a matter of right for estates of this nature, which are closely held and which may find it simply impossible to raise estate taxes quickly. The minister has now seen fit to change this section of the act and a five year period in which to make six payments is now to be permitted as a matter of right under the revised bill.

There was another objectionable feature to the minds of many of us, and it was this: Since there are major differences between this new estate tax and the present one, a great many people are going to have to rewrite their wills in order to adapt them to the new legislation. I congratulate the minister for bringing in the changes. They will permit executors, after August 31 next, to elect whether they wish to pay estate taxes under the new or old acts.

• (9:10 p.m.)

The third complaint many hon. members raised was that, in its original form, the bill would have imposed estate taxes on all estates over $20,000. The philosophy behind this part of the measure escapes me. We are told that estate taxes have two purposes, to

raise money for the government and to prevent the pyramiding of family wealth from generation to generation. That is all very fine, but how an estate worth $21,000, by any stretch of the imagination represents the foundation of a family's dynastic fortune, escapes me. I should be surprised if the money the government collects from estates of between $25,000 and $35,000 equals the amount spent on collection.

I commend the minister for changing his mind and for introducing a floor of $50,000, below which no estate will be taxed. I wish I could be satisfied with the $50,000 floor, but I cannot be. For many years the basic exemption level has been $50,000. For several years now we have been suffering from an inflation which has eroded the value of our dollar. This legislation ought to recognize that inflation has greatly diminished the value of our dollar. In large part, the dollar has lost its value because many levels of government for many years have indulged in irresponsible spending policies.

Some hon. Members: Oh, oh.

Mr. St. Pierre: Governments are responsible for the inflation from which we suffer. Although the minister has established $50,000 as the floor below which estate taxes will not be collected, I should have preferred to see a floor of $100,000 established. The present floor, however, is a vast improvement over the $20,000 floor.

There are, of course, some excellent features in the new legislation. The elimination of estate tax on estates passing from spouses to widows or widowers should strike most hon. members as eminently fair. If we accept the proposition that wives contribute to the accumulation of a family's capital wealth, surely it was wrong for the government to intervene previously and collect estate taxes on the death of one of the partners. Indeed, one wonders why that provision was retained so long in the old law. Possibly it represented a hangover from the Victorian idea and I hesitate to use the words, that women were inferior. That, I think, was a delusion to which later generations have not subscribed.

In the bill are new increased exemptions for minor children and for totally dependent invalid children. There is a new exemption of $10,000 for the adult child. Formerly, tax was levied with respect to such adult children.

I listened to several critics of the bill. Several suggested it should be withdrawn and studied again. I find their attitude difficult to understand. Surely, hardly any hon. member of the house will claim this bill is not a considerable improvement over the old legislation. It is much fairer.

I was interested in the remarks of the hon. member for Saskatoon-Biggar (Mr. Gleave) and I have figures in my possession which support many of his contentions. The figures were produced by the British Columbia Department of Agriculture as a result of a selective survey of British Columbia ranches. They show how low are the earnings of ranches that many would consider extremely valuable. For instance, the survey has figures for ranches valued at between $50,000 and $100,000 and shows returns on capital for the years 1965, 1966 and 1967.

An hon. Member: Those are not ranches.

Mr. St. Pierre: The figures shown as returns on capital are —1.2 per cent, —0.4 per cent and —0.12 per cent respectively. On ranches valued over $100,000 and under $180,000—

Mr. Benjamin: What is your yardstick for value?

Mr. St. Pierre: That is the point I am coming to. Ranches valued at over $100,000 in the three years I have referred to made a profit on capital of 1.2 per cent, then 1.5 per cent and then 2.28 per cent. For ranches valued at $180,000 there is no calculation for 1965. The 1966 profit is shown as 4.1 per cent and the 1967 profit as 5.06 per cent.

An hon. Member: And how much of that was deeded?

Mr. St. Pierre: It is clear that if any rancher had sold his ranch at its valued price and invested the money in government bonds, surely one of our safest investments, which pay 6.5 per cent or more he could have drawn an income at no risk to himself, without having to do any work, much greater than the annual income he has been earning for the last several years.

Mr. Benjamin: But they are private enterprisers, are they not?

Mr. St. Pierre: Most ranchers are private enterprises. They believe in private enterprise; but then so do most people, I find.

Mr. Benjamin: Why do ranchers not sell their ranches, then?

Mr. St. Pierre: Because they like ranching, and because they are more optimistic than are hon. members of the N.D.P. They believe better days are ahead.

Mr. Peters: The last few weeks have done nothing to foster that optimism.

Mr. St. Pierre: I should like to show why a ranch valued at $100,000 ostensibly should return only $1,200, $1,500 or $2,280 as profit on invested capital. The answer lies in the fact that the figures respecting value are entirely illusory. The ranches in question are not worth $100,000. What has happened is that some fortunate rancher has recently sold his ranch at a totally inflated price, and other ranchers near him are listed as being equally valuable. That value figure has no basis in reality. It is a figure on a piece of paper. The man who collects estate taxes refers to the figure on that piece of paper in his calculations, to the misfortunate of many ranchers. That is why I was particularly interested in the comments of the hon. member for Saskatoon-Biggar. He spoke of farms that were approximately as valuable as the ranches I have mentioned. From his remarks, I judge that farmers in his area find themselves in the same sort of situation as ranchers in my area.

I now wish to speak about the new estate tax being applied to a $100,000 estate. I wish to take the case in which the tax bears most heavily, the case where the estate is left outright by a widower to one son, and not to two or three. Under the present law that son will pay $10,200 in estate tax. Under the proposed law he would pay $13,200, an increase of $3,000, which is considerable and which threatens the existence of the family farm.

Some hon. Members: Hear, hear.

• (9:20 p.m.)

Mr. St. Pierre: However, if this $3,000 increase is paid out over five years, that will mean that $600 a year extra per year will be paid. This is considerably less than some of the gloom and doom people have suggested would have to be paid. I doubt that many hundred thousand dollar ranches will go under for the sake of a six hundred dollar per year payment. A point was raised by a member of the Ralliement Creditiste. It is a different philosophic question but one, with which I think we should deal. The province of Alberta has already taken a stand on this matter. The question is, does the state have a proper right to collect estate taxes?

Estates are capital. They are savings and profit put aside by men who during their lifetime paid a tax on their incomes. Is it right for the state to take a second bite of the fruit of that man's labour when he dies? The hon. member for Frontenac (Mr. Dumont) summed up the position of his party at page 5192 of *Hansard*. I quote:

> Mr. Speaker, I should like, first of all, to point out to the Minister of Finance that we, of the Ralliement Creditiste, are opposed to any tax at all in Canada, and that the very fact of levying a tax on private estates discourages private enterprise. That is why we say that the Minister of Finance should seek another formula.

It seems the state not only has the right to impose estate taxes, but in my opinion it has a duty. The alternative is very clear. Unless estate taxes are used to prevent the pyramiding of family wealth, then it must follow we are going to move increasingly into a hereditary aristocracy of wealth in this country. It will not be basically from a titled aristocracy. It will gain power in the nation's political affairs by virtue of birth rather than by virtue of individual worth. I am convinced that this or any other form of class system is bad for Canada.

Canada has not suffered from the lack of a Rockefeller or Dupont family, and I am very sure we have not suffered from the lack of the Krupp family of Germany. I ask those members of the Ralliement Creditiste who oppose this bill on the basic principle that estate taxes are wrong if they are prepared to add to the power which already exists in an aristocracy of wealth in this nation. If so, why not go the next logical step and have hereditary lords in this country? Perhaps they would prefer to have the Senate seats hereditary. I cannot be convinced this would be good for Canada.

In closing, Mr. Speaker I would say this is generally good legislation for Canada. The original weak points have been largely eliminated. It has been vastly improved and is more just than the present estate tax legislation. For these reasons, I have no hesitation in supporting it.

GOVERNMENT ORGANIZATION

AUTHORIZATION FOR THE ESTABLISHMENT OF A DEPARTMENT OF FISHERIES AND FORESTRY, AND OTHER NEW DEPARTMENTS

Hon. Donald S. Macdonald (President of the Privy Council): On a point of order, Mr. Speaker. Could I have the consent of the

house for a moment to revert to motions to make a procedural change which I think is generally agreeable to the house?

The Acting Speaker (Mr. Béchard): Is it agreed?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): There have been certain discussions, Mr. Speaker, about the government reorganization bill which was introduced on first reading today. I think there is general agreement it would be preferable to deal with the bill in committee of the whole, rather than refer it to any standing committee. It has been suggested, pursuant to standing order 74 (2), that it would be necessary to make a special order of the house in this regard. Without prejudice to any views or debate which may take place on the interpretation of that order, I would like to propose the following order to deal with the reorganization bill:

That an order be made, that upon second reading of the bill entitled "An act respecting the organization of the Government of Canada and matters relating or incidental thereto" the said bill stand referred to the committee of the whole house.

Mr. Lambert (Edmonton West): We are in agreement with the purport of the order but I wish to register a strong objection to the interpretation being placed on standing order 74(2). The rules were designed to work but at the present time the interpretation is not permitting them to work. Before going on the order paper, every order will have to be designated as to which committee it will go. It is not the design of this standing order that a bill shall be left in the house after it has been viewed and the house, as a result of consultation, shall decide to which committee it will go. It is not the purpose of the rule that the posting shall include to which committee it will go.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, for the second time tonight I shall resist the temptation to make remarks on a point of order. May I simply say we agree to the procedure being asked for this evening. Unlike my immediate friend, I see nothing wrong with it.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

INCOME TAX ACT AND ESTATE TAX ACT

The house resumed consideration of the motion of Mr. Benson for the second reading and reference to a Committee of the Whole of Bill C-165, to amend the Income Tax Act and the Estate Tax Act, and the amendment thereto of Mr. Saltsman (page 5191).

Mr. Jack McIntosh (Swift Current-Maple Creek): I may say at the outset, that this bill has been misnamed by the Minister of Finance (Mr. Benson). As one prominent Canadian businessman has suggested, it should be entitled a bill for the distribution of private property. I would go further than that. I believe this bill should be known simply as the liquidation bill, because if these infamous proposals of the minister become law they will surely lead to the liquidation of a large group of ordinary Canadians who believe in individual enterprise, just as Joseph Stalin's purge did in the Soviet Union 35 years ago.

Some hon. Members: Oh, oh.

Mr. McIntosh: I hear some comments from the other side of the house. After listening to one of their members speak a few moments ago, and judging by their actions in the house tonight, they are complimenting what he said. I want to refer to an article written by the hon. member's colleague. I understand he is an ex-journalist. Not long ago an article appeared in one of the local papers and the question was asked—

An hon. Member: Who wrote the article?

Mr. McIntosh: I am not quite sure. The author was Pat Carney. I think this author was very favourable to the Minister of Finance.

An hon. Member: I didn't think she was.

• (9:30 p.m.)

Mr. McIntosh: I understand it is an F.P. publication. The member was asked by this staff reporter:

What do you think of Finance Minister Benson's proposals?

The hon. member's reply was:

"I just don't buy them," said St. Pierre. He picked up a sheet listing the assets and returns of some 500 ranches in 1967. They show an average return on capital invested of 0.85 per cent.

That is not the story he was trying to tell us in this house tonight. But he also added at that time—

Mr. St. Pierre: Mr. Speaker,—

The Acting Speaker (Mr. Béchard): Order. The hon. member for Coast Chilcotin on a point of order.

Mr. McIntosh: I am sorry, Mr. Speaker, I did not hear your remark.

The Acting Speaker (Mr. Béchard): The hon. member for Coast Chilcotin on a point of order.

Mr. St. Pierre: I am asking the hon. member if he will permit a question.

Mr. McIntosh: Yes.

Mr. St. Pierre: Does the hon. member know whether those remarks were made before or after the changes made in the bill by the minister?

Mr. McIntosh: It doesn't matter whether they were made before or after.

Some hon. Members: Oh, oh.

Mr. McIntosh: Well, to me it doesn't matter. If you want to listen to the hon. member he can tell you why he changed his mind. He certainly did not tell us tonight. So far as I am concerned, the only change the minister made in the bill since he introduced it last October resulted from the pressure of you backbenchers opposite—

Some hon. Members: Hear, hear.

Mr. McIntosh: Particularly you backbenchers from urban areas. It seems odd that your rural members were not clapping. You told the Minister that if he allowed the bill to go through as he introduced it in October, 1968, you would not be back here next time.

Mr. Benson: Sheer nonsense.

Mr. McIntosh: The minister knows that, and I know it.

An hon. Member: We are all united.

Mr. McIntosh: Good. The minister introduced two amendments. By the first, he extended the term of payment. The main one out of which backbenchers opposite got such a kick was the one raising the exemption ceiling to $50,000. He said that no estate of $50,000 or under would be taxed. Had he left the ceiling at $20,000 every householder in every city in the country would have been taxed. This is a discriminatory type of legislation. Why does he tax some who have an estate of $51,000 to the tune of $31,000 when those who have a $50,000 estate are not taxed at all? If a person has an estate of $51,000 he is taxable on $31,000 of that. The minister will not deny that.

Mr. Benson: Not more than $500.

Mr. McIntosh: I have not come to that point yet. There are lots of things about this bill that backbenchers opposite do not know, and that the minister will have to explain to them. This is a very discriminatory tax, and I think we can prove it. At least out west, we can certainly prove it. That is why I was surprised to hear the hon. member for Coast Chilcotin (Mr. St. Pierre) say what he did tonight about his ranchers. However, he talked out of the other side of his mouth to these reporters. On that occasion he said:

"I'm worried that the estate tax is going to accelerate the sale of these ranches to foreigners.

He wasn't worried tonight.

People just won't have the money to pay the estate taxes. But nobody here will concede this."

He accepted that fact tonight. He said that this is not an estate tax, it is a capital gains tax. I am quite sure he will have a lot of difficulty telling the ranchers in his riding that they have not paid income tax on every cent they have invested in their ranches. The same thing applies to small businesses. He will have a difficult time telling the owners of small businesses that they have not paid income tax on their assets. The hon. member went to great lengths to explain statistics:

"What nobody here in Ottawa seems to understand is that a $100,000 or $200,000 ranch can be a very marginal operation in the west."

This statement is quite true.

[*Translation*]

Mr. Mongrain: Mr. Speaker, on a point of order.

The Deputy Speaker (Mr. Béchard): Order. The hon. member for Trois-Rivières has raised a point of order.

[*English*]

Mr. Mongrain: On a point of order, Mr. Speaker, I would ask the hon. member to identify the paper from which he is quoting. I did not hear his answer very well the last time. I would like to know from which paper he is quoting now.

The Acting Speaker (Mr. Béchard): Order. The hon. member for Swift Current-Maple Creek.

Mr. McIntosh: The Barnyard News, if that helps, of the 32nd of December.

Some hon. Members: Oh, oh.

Mr. McIntosh: You asked for it. Some time ago, in a speech to a gathering of Liberals in London, the Minister of Finance said he was aware that a special burden had been imposed on the owners of family farms and on the owners of small businesses. Not long afterwards I asked him a question in this house to find out what he meant by "special burden", and why he imposed it on farmers, on small ranchers and on small businessmen. There must be a reason for it. I am sure it is not an economic reason. I hope he will explain it later.

I was also interested tonight in the statement made on behalf of the New Democratic party. The hon. member for Saskatoon-Biggar (Mr. Gleave) said that he was not arguing for the individual when he stated that these farms should be left intact. This is not the story we hear from them out west. He went on to speak very much like a Conservative member. Maybe we have been getting through to him.

Mr. Benson: Birds of a feather.

Mr. McIntosh: When he was speaking the hon. member for Huron (Mr. McKinley) made the remark that the N.D.P. have lost their best base of operations, and that Trudeau and his Liberals have taken over.

Mr. Gleave: I am flattered that I caught you both in the same net.

Mr. McIntosh: You did not catch us in your net. You are beginning to see the light since you came down here. These tax proposals sound the death knell of the economic family unit in this country whether that unit be a farm, a construction company or a corner grocery store.

Mr. Whicher: Are you still quoting?

Mr. McIntosh: If you want to speak you had better go back to your seat. You haven't learned the rules yet. What is the hon. member's constituency?

Mr. Whicher: Don't get mixed up.

Mr. McIntosh: You should go back to your seat if you want to speak in this house.

Mr. Whicher: I am sorry if I disturbed you.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Swift Current-Maple Creek has the floor.

Mr. McIntosh: As I said, Mr. Speaker, the minister's tax proposals sound the death knell of the family farm in this country, and also of the small construction company, and of the corner grocery store.

An hon. Member: And the Conservative party?

Mr. McIntosh: That remains to be seen. When the minister first announced these changes back on October 22, 1968, he so swaddled them in candy floss that many of us were misled into believing that they were really great tax concessions, an improvement, a reform. We admit this. At that time, the minister assured us he was not bringing in these changes simply to raise more revenue. He just wanted to make some modest changes that would correct injustices but still yield about the same amount of revenue for the federal treasury.

• (9:40 p.m.)

On October 22 the minister said, as reported at page 1685 of *Hansard:*

> I propose that the loss of revenue arising from this long awaited reform of the exemption structure be made up by raising the rates on the rest of the estate—
>
> It is difficult to predict accurately the revenue effects of changes in estate taxes but I have aimed at maintaining the same total over-all revenue—

In other words, the minister did not intend this measure as a revenue-producing measure but rather as a measure to correct inequity and injustice which he believed existed in the old act. I said "he believed" but I am not quite sure what he believed. If my figures are correct, the minister could not possibly have brought forward these proposals as an economic measure. The revenue to which he referred amounts to a mere pittance by today's standards of federal budgeting. In comparison with total federal revenue, the proportion of that revenue raised by estate and gift taxation is equally small.

In his budget speech the minister forecast total budgetary revenues amounting to between $10 billion and $11 billion, and revenue from estate taxes amounting to $110 million. According to my calculation, the estate taxes provide just a shade over one per cent of total revenue, a rate borne out over the

past five years according to budget paper figures. But that is not the end of the story. We must remember that 75 per cent of the revenue collected federally by estate taxation goes to the provinces. So, the figure the minister is actually concerned with, as the federal minister charged with running the federal government shop, is only somewhere in the neighbourhood of $30 million. An amount of $30 million, in a budget with a total revenues of more than $10 billion, is not an item which should cause the minister the concern, work and argument already involved in trying to foist this tax upon the Canadian taxpayer.

It is interesting that, in respect of the provinces, in his speech the minister said:

> We recognize the special interest of the provinces in this field of taxation but believe that parliament should keep a share in it for its indirect benefits in the enforcing of the Income Tax Act as well as its direct benefits in revenue.

Recognizing the particular interest of the provinces in this field, it is strange the minister did not consult them before making such a drastic change; or perhaps he did and did not like what he heard from them. According to the Toronto *Telegram* of December 18, Saskatchewan's Premier Thatcher said:

> We made the strongest possible representations to Ottawa not to proceed with these changes.

Mr. Thatcher then went on to say that his government would bring in legislation to rebate to the people concerned the 75 per cent of estate tax revenue received from Ottawa. This has already been done in the province of Alberta. There is a strong probability that it will be done in the province of Manitoba. Other provinces, in recent years, have shown every indication of getting out of this unpalatable field of taxation. But the minister and his colleagues in the cabinet cling ghoulishly to death duties as a source of revenue, or so they say. So, we come back once again to the big question mark; why the radical changes in the estate and gift tax set-up? This is what the people are asking.

Mr. Benson: Ask the widows.

Mr. McIntosh: The minister has been evasive about this particular budget proposal. He slid past the various points and implications in respect of the changes in his budget speech, preferring to make much of the concession to the spouse of a deceased which he just mentioned a moment ago. Since that time in his public statements, he has been equally obscure and on occasion has deliberately muddied the water by referring to examples culled from past experience rather than by giving examples based on application of the new tax regulations.

Mr. Benson: Oh, no.

Mr. McIntosh: This is what the people of Canada want to know. On January 16 before an audience of Liberals in London, Ontario, we find the minister again muddying the waters. At that time he said the amount of $200 million, not the 110 million of his budget speech, was vital to his budget and that if it was not forthcoming he would have to put another one per cent on the so-called social development tax. In one breath the income is vital and in the next it is negligible except to correct an inequity.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Trois-Rivières (Mr. Mongrain) on a point of order.

Mr. Mongrain: Mr. Speaker, I have always been told members should not read their speeches. I wonder whether the hon. member is reading from the same—

The Acting Speaker (Mr. Béchard): Order.

Mr. McIntosh: Mr. Speaker, in answer to the hon. member who interrupted, may I say that perhaps he does not have any manners but he certainly has no political sense. Many of us know that he sat for years as an Independent member because no party would have him. I am surprised that the Liberals have taken him now.

In the same speech, the minister said that the forced sale of a farm or family business had seldom occurred in connection with payment of estate taxes. This may well be true, but this was in the past. It was before the Benson thumbscrew was applied, as I believe it is being applied now. Again, at the same meeting the minister said:

> I should remind you that the vast majority of Canadians have not, and will not now, pay any estate tax.

This certainly may be true, now that they have raised the exemption to $50,000, for certain classes of people only. This is class, or discriminatory, legislation and cannot do justice to all Canadians. It is directed toward the urban centres and is introduced for a political purpose. What the minister neglected to explain was that his new regulations dropped the floor for taxable estates down to $20,000.

This is still the floor. Who is he trying to kid by saying that the vast majority of Canadians will not now be taxable? The minister has steadfastly refused to explain the real purpose of this tax. On the basis of his own statements and his own figures it cannot be an economic measure. I presume even this government would not be fatuous enough to bring in a piece of legislation without any purpose whatever. If, then, we presume the proposals to have a purpose—and we have seen that this purpose cannot be justified in economic terms—we are driven to the conclusion that this measure is not indeed an economic measure but a social measure. We ask why. Maybe the New Democratic party members should ask why. It is my belief that it is a social measure and a social measure of a revolutionary kind.

I believe that if this parliament adopts these tax and gift tax resolutions, Canada will see the disappearance within a short time of that great segment of her people who still seek to live by individual initiative and individual enterprise. I am not alone in this belief. A host of newspaper editorial writers, commentators and tax experts have made the same prediction. Premier Thatcher said this "outrageous" measure meant the "end of the family farm". We in western Canada believe that. The members of the N.D.P. party in western Canada believe that. They pleaded with the minister not to impose this tax.

Mr. William Purdy, president of the Canadian Construction Association, was reported in the Ottawa *Journal* of January 22 as saying that the estate tax as proposed "will make it virtually impossible for family-owned construction firms to be passed on to the next generation". He pointed out that of 17,000 construction companies in Canada fewer than 200 were public companies, and that family firms did more than 90 per cent of the annual construction business in Canada. In an article generally favourable to the minister and the minister's works, Pat Carney wrote in the Ottawa *Journal* of January 21:

> —the children will pay for mom's exemption—

At another point this article reads:

> —the bugs in the new system centre around the fact that the happy family unit envisaged by Benson may not reflect the facts of life.

• (9:50 p.m.)

Make no mistake about it, this powerful weapon for social change is aimed directly at a whole class and there will be few, if any, family economic units that it will miss.

Mr. Broadbent: Mr. Speaker, would the hon. member permit a question? Does the hon. member believe in equality of opportunity, and if so, would he not agree that all estates, other than those left to one's spouse, should perhaps in terms of equity be taxed at the 100 per cent level?

Mr. Woolliams: No. That is the Regina manifesto.

Mr. McIntosh: No, Mr. Speaker. If one wants to get into an argument about taxation, I believe that the fairest method of taxation is income tax. There may be some branches of that tax which go too far. But that certainly does not apply to this type of taxation. The members of the party to which the hon. member belongs do not believe in what he has said, though they may spout it from time to time on the election platform. The hon. member for Saskatoon-Biggar rose tonight and bemoaned the fact that this government was trying to tax the people he represents. This is where the shoe pinches. You N.D.P.'ers preach one thing and practice another.

Some hon. Members: Hear, hear.

Mr. McIntosh: The Saint John *Telegraph-Journal* of December 4 points out editorially:

> With today's less valuable dollar, the reduction—down to a floor of $20,000—will extend the tax to almost anyone who has a small home and a modest insurance program, or a store or a business, or virtually any farm capable of providing even a simple living.

As hon. members know, December 4 was before the minister brought in this $50,000 gimmick to pacify his backbenchers. This was the purpose of it. I am sure the minister does not believe this is fair taxation. The social implications of this measure, the necessity of gathering even the smallest of independent Canadian fish in the net, explains the otherwise inexplicable matter of lowering the level at which an estate becomes taxable. I do not know how the minister decided on this tax. In western Canada, as a Liberal member said a few moments ago, we have seen farmers leave farms valued at $100,000. Some of those estates valued at more than $100,000 may have been left because of climatic conditions or other circumstances; so how can you assess an estate at $100,000, when it has no liquid assets? There has to be some other formula arrived at.

This type of social regimentation is in the Liberal tradition. This is the type of socialistic state planning of my hon. friends in the N.D.P., which the former prime minister

bought by the package from one of his advisers; I think it was Tom Kent. This is the type of Liberal, bureaucratic control about which we heard something a short time ago when we were dealing with the agricultural bill. It is the type of Liberal, bureaucratic control sought by the erstwhile minister of national health and welfare when he brought in social security cards and social security numbers. This was done for a purpose; it is all part of the over-all picture.

To the Liberal ministerial mind, to the minds of the mandarins of the civil service, to the minds of the army of soulless Ottawa bureaucrats, no Canadian must be allowed to stand in the way of state planning, state guidance and state administration. The aim is to render every Canadian capable of being controlled by a central computer. This is why we have numbers. Therefore, the ordinary Canadian must be registered, concentrated, made subject to control and allowed no leeway for individual enterprise or individual initiative. That is the aim of this measure; and it is an aim that will be achieved in a frighteningly few years if this type of measure passes the house.

The same sort of group of small, independently minded citizens stood in the way of the Soviet state machine in the early thirties. Hon. members opposite laughed a few moments ago when I mentioned the Soviet regime of the early thirties. Stalin's solution was collectivism, transportation or murder. We are softer and more subtle. But the end result will be the same, the death of a class. I referred to this earlier.

The hallmark of Liberal legislation has always been its absence of humanity. Liberal ministers and senior civil servants have over the years become almost indistinguishable. They have never considered Canadian citizens as human as human beings but only as economic and social units. To realize this, one has only to recall the recommendations made some years ago by the high priest of Liberal theorists, Walter Gordon, when he sought to solve the problems of Cape Breton. His solution was simple, move the people to Upper Canada.

The same sort of philosophy is apparent today. One has but to examine the government's attitude to farmers both east and west to realize the callous disregard they have for people and their obsession with the abstract and the theoretical. One excellent example of this is their present approach to the hard-hit east coast fishing industry. We heard about this problem just a few days ago. What was the government's answer to the plea to save this basic Canadian industry? The Liberals' answer was: Let it die. My colleagues from Newfoundland will verify this fact. The answer of the government was: Let it go by default, and put the people on some form of government subsistence. This is the Liberals' answer to these problems.

The Liberals say: Don't bother about things like human dignity or a man's desire to fend for himself and his family. It is much easier from a social planner's point of view to have everyone's name on a list, numbered and carded for a computer. It is more efficient to issue a series of identical cheques at regular intervals than to find ways of assisting people to look after themselves and to compete with their fellows on an equal footing.

The same sort of soulless, technological approach lies behind the minister's estate tax proposals. Family economic units are a nuisance. Scattered groups of independently-minded Canadians are a nuisance. They foul up the bureaucrats and are not adaptable to smooth, business-machine processing. The attitude of the Liberal party is: Get rid of them, wipe them out, regiment them along with their brothers in the huge, industrialized, urban centres.

I realize that these measures will hit the various pockets of individual enterprise left in urban centres just as hard as they will hit Canada's agricultural community, but at the moment my chief concern is with the impact they will have on rural Canada. To my mind, these tax proposals which set out new tax minimums and higher accelerated rates of taxation must be assessed as part of the whole system of applying federal estate taxes. They are bad enough of themselves, but when applied on valuation figures arbitrarily set by the taxing authority, with an accompanying demand for quick payment they could prove disastrous.

We all know something of the punitive and unrealistic figures arrived a by federal government evaluators. Not only do they seldom take cognizance of local market conditions and local valuation practice, but they take no recognition whatsoever of the low points in regional economic cycles such as we had two years ago in western Canada and again last year. In western Canada, the past season and the general condition of the world market for agricultural produce almost guarantee that anyone selling a farm there today will have to do so at a ruinous price, a

sacrifice—if indeed it can be sold at all. Judging by past practice, the federal estate tax valuation figures will take no notice of these conditions and that could mean the extinction of many rural enterprises.

I, for one, do not accept at face value the minister's bland assurances that no Canadian heir will suffer under these new proposals. If they are to be as he has said, if they are to be applied as he has said, then common sense indicates that many, many new taxpayers will be gathered into his tax net and many, many Canadians will be subject to an unjust and confiscatory tax bite.

Many of the criticisms that can be made about this legislation have been made, and well made, by previous speakers. Heaven alone knows, there is enough room for an army of critics here. However, I do not want to labour my opposition to this measure much longer. There is only one further point I wish to make. It concerns the warning given in the introduction of the new tax proposals of very ominous things to come. I believe it is fair to say that the minister's proposals are simply feelers for more sweeping tax "reforms" to come; a trial balloon, a toe in the water. If this be so, it is my conviction that the minister's manner of introducing so-called reforms is entirely unsuitable, and that he is the last person to handle such a monumental task.

• (10:00 p.m.)

Mr. Speaker: Order, please. I regret very much that I have to interrupt the hon. member.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

PRINCIPLE OF ACCESSIBILITY OF REPORTS AND STUDIES UNDERTAKEN FOR THE GOVERNMENT BY OUTSIDE PROFESSIONAL GROUPS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, the principle that I wish to discuss on the adjournment debate has to do with the availability of government information. The particular issue is that in these days when government is becoming more and more sophisticated and many studies from outside sources will have to be called for it is important to parliament that the results of these studies be made available to us. One of the examples that comes to mind is the rather famous case of the Winnipeg overhaul base. As the member for Fundy-Royal, I have not a clue as to whether the overhaul base should be in Winnipeg or Montreal, and it does not really matter to me in which spot it is. In trying to assess the proper location for this site, the government called for an independent study by management consultants which produced what is known as the Thompson report. The difficulty is that the results of this report were never made available to the very people who were expected to pass judgment on the government's decision to phase out the base. Just as such a situation took place in Winnipeg, so too did it take place in almost every area. In fact what led me to this question is the fact that a great deal more reliance is going to be placed by the government on outside experts to give the government the benefit of their information. I, myself, prefer the system in Sweden which has worked very well for some decades where all information, unless it has to do with the fundamental issue of the safety and security of the state, is a matter of public record. I think it is known by text writers on the subject as the goldfish bowl principle, which is a rather descriptive term to use. In Sweden any information from reports or studies is automatically published, unless the safety of the state is involved.

I want to have the assurance of the administration that, if they cannot go as far as the Swedish reform, at least if studies are asked for by experts independent of the government the results of such studies will be made available to parliament.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I apologise for the tardiness. I understood that I was to answer a question by the second speaker on the list. Unfortunately, I only had the benefit of rereading the initial question asked by the hon. member for Fundy-Royal (Mr. Fairweather) and I assume he has reiterated his position.

Generally speaking, reports asked for by the government are commissioned on one of two main bases: Either with a view to publication—that is being made public—or with a view to non-publication. There are a number of instances in which investigations are sought, in which proposals are asked for or information is sought, which it would not be in the public interest to disclose.

Proceedings on Adjournment Motion

Further, there are a number of people, experts of one kind or another from whom advice is sought on a confidential basis and it has been found that these people are prepared to be more frank in expressing their views and opinions when they know that the advice is private rather than to be made public. As a consequence of this, in each case an initial determination is made as to whether the report or the investigation commissioned is for purposes of publication or for the internal use of the government.

On this basis, reports are made public either by mass publication or by tabling in the house in response to a request, if there is one, or through release. An example of the kind of report which was prepared with a view to publication is the recent report of the task force on housing. On the other hand, the report of the commission which inquired into security questions was not prepared with a view to publication as such and consequently it will not be published in its original form.

I think the hon. gentleman will understand that there are basically two categories, and that failure to publish is not motivated by a desire to withhold information from the public domain, but by a wish to secure the best possible range of opinions and views from the person or persons commissioned to carry out the survey or inquiry and to make recommendations.

VETERANS AFFAIRS—FEASABILITY STUDY OF GUARANTEED ANNUAL INCOME

Mr. Max Saltsman (Waterloo): First, I should like to thank the minister for his courtesy in appearing tonight to reply to the question I raised the other day concerning the feasibility of a guaranteed annual income for veterans. I raised this question particularly since the committee on Veterans Affairs is to examine the Woods report, at which time it will deal with benefits to veterans and the situation facing them at this time.

The idea of a guaranteed annual income is one which is increasingly advocated nowadays. Strangely enough it seems to be supported by both right wing and left wing elements in our society. It is supported by the right wing because its administrative ease is attractive and because of a desire to co-ordinate welfare programs which have become an administrative hodge-podge. We on the left regard it as a simple, elementary form of justice for those who are unable to take care of themselves for whatever reason, or who have been left behind in the competitive rat race of our society.

Thus, both from an administrative point of view and from a humanitarian point of view the idea of a guaranteed annual income is one which in my opinion will become a feature of every western society. I hope we can introduce it for our veterans and in particular for veterans of the first world war. The tragedy of the situation might be this—that the idea of a guaranteed income will be accepted, but accepted too late to be of assistance to veterans of the first world war, and, perhaps, of the second world war also. I suggest its application to veterans at this point not because I believe veterans should, in this context, be singled out for special treatment, but because if a guaranteed annual income is brought in it is likely to be brought in by stages. The first stage would be either an income for everyone at a very low level, or an income at a higher level for specific groups. In looking over the statistics and information relating to veterans in this country, it seems to me we could probably implement such a program without its being too heavy a cost at the moment, giving us the chance to make a start on a guaranteed annual income for everybody.

• (10:10 p.m.)

In the evidence given before the committee it was pointed out that at least 25 to 30 per cent of all veterans in the first world war are now receiving one kind of assistance or another from the department. That figure is quite close to half our first world war veterans. Since we are already bearing the cost in large measure, it seems to me it would be far preferable to extend the guaranteed annual income if only to ensure that some veterans who cannot qualify now would qualify under such program.

Our present legislation is helpful. I think we in Canada can be reasonably pleased at having legislation that is much better than legislation of some other countries in terms of looking after our veterans. But this is not to say that the legislation cannot be improved or that there are not veterans who are suffering unduly at this time.

Recently all members of the house have been receiving letters from Dieppe veterans. The situation was put rather well in a letter I received from one of my constituents. He said:

> After being liberated we were so elated with the thought of freedom that upon being discharged we did not submit all of our physical complaints

as we thought this would delay matters. I hope you can visualize the situation. Now that we are older, these seemingly trivial aches and pains have turned into serious complaints—a direct result, we believe, of our incarceration. When we seek medical attention we are told, "Sorry there is nothing showing on your record".

That is one of the great defects, if not the major defect, of the present legislation. Either because some veterans were not aware of disabilities they might have had or because they were anxious to leave the service for one reason or another, they were not able to establish a claim. Later on when their problems developed it became very difficult for the department to ascertain whether these problems were attributable to war service. I imagine it is a very difficult situation for the people who administer the act.

I feel quite sympathetic to the Dieppe veterans. I have always felt that in some ways they got a terribly raw deal. I was never convinced that the raid was essential, and I sometimes wonder to what extent it was a deliberate sacrifice on the part of the military in order to quieten the cry for a second front. However, I am pleased that the minister is in the house, and I hope he has had a chance to examine the question I posed to him and that he will provide an answer to the question.

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, first of all I wish to express my appreciation to the hon. member for Waterloo (Mr. Saltsman) for his remarks on behalf of the veterans of Canada, especially his comments about the feasibility of a guaranteed income for veterans. As he knows, the Woods report which will be referred to the House of Commons committee on veterans affairs deals with disability pensions and with the Canadian Pension Commission. These matters will, of course, be coming up for study at that time, and I do not wish to anticipate the debate.

Perhaps the hon. member knows, if he does not, then this is an occasion for me to underline the fact, that many if not most of our veterans at the present time do enjoy a guaranteed annual income. Provision for that guarantee is made in the War Veterans Allowance Act which has been in existence since 1930. Of course, I should point out that that act does not apply to most veterans, but only to those who are in dire need. Fortunately, the great majority of the veterans in this country are in no need of having their income supplemented. They are doing very well on their own in our economy. Perhaps the hon. member for Waterloo (Mr. Saltsman) will be interested to know that a quarter of all family heads in Canada earning between $4,000 and $5,000, the average income, are veterans. In fact, more than a quarter are veterans. The hon. member may be surprised to learn that in the higher income levels the percentage of veterans earning those incomes increases. Of those earning $10,000 a year, more than 50 per cent are veterans. So, it is with pride that we underline the fact that most of our veterans have adjusted to our society very well and are doing very well on their own.

However, in the case of veterans who cannot find employment in the market perhaps because of disability for which they are receiving pension, the War Veterans Allowance Act will apply. They may receive slightly over $4,000 in income.

Mr. Speaker: Order, please. The motion to adjourn the house is now deemed to have been adopted.

Motion agreed to and the house adjourned at 10.17 p.m.

HOUSE OF COMMONS

Tuesday, February 18, 1969

The house met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS

REPORT ON TUNIS COMMITTEE, AND ON MINISTERIAL COMMITTEE OF O.E.C.D., IN PARIS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have just returned from attending the first meeting of the Canada-Tunisia Joint Committee in Tunis and the annual meeting of the Ministerial Council of the Organization for Economic Co-operation and Development in Paris.

I would like to table first of all the communique of the Canada-Tunisia Joint Committee which, as I said, met in Tunis from February 10 to 12. It was decided to establish this Committee at the end of President Bourguiba's visit to Canada in May 1968. Its purpose was to reflect Canada's growing interest in its relations with the French-speaking countries of Africa in all fields.

The warm welcome which Tunisia gave to the Canadian delegation is an indication of the friendly relations between the two countries and of the favourable climate which exists for strengthening and expanding them in the future.

As a result of this meeting, Canada envisages increasing its program of economic and technical aid to Tunisia. In the year 1969-70 this aid could exceed a total of $10 million, of which $7 million would be for new initiatives, $5 million for loans on economic projects and $2 million for gifts under the expanded program of technical co-operation. In addition, we will be continuing to extend food aid to Tunisia.

In order to establish a framework which would facilitate expansion of our programs, we suggested to the Tunisians the conclusion of an agreement on economic and technical co-operation. To that end, we submitted a draft text to be subsequently approved by the two governments.

We also discussed the possibility of concluding a trade agreement. We submitted a draft agreement to the Tunisian government in that respect. Canada intends to do the same with respect to several other African countries during the forthcoming months.

We hope of course that our aid program will pave the way for an increase in our export sales in the future.

I had an opportunity to meet with many of the Canadians working in Tunisia—there are more than 100 at present—and to see for myself one of the main activities in which we are involved, that is the children's hospital in Tunis. We have good reasons for being proud of what has been done and what is being done now by Canadians in Tunisia.

I should also like to table the communique issued at the conclusion of the meeting of the O.E.C.D. Ministerial Council which took place in Paris on February 13 and 14. This was the regular annual meeting of the ministers of O.E.C.D. countries, to review major economic trends and developments, during the past year and prospects for the months ahead.

The O.E.C.D. provides an important forum for joint consultation among the countries of Western Europe, North America and Japan over the whole range of economic policy matters, including finance and external aid. Economic conditions in these key countries have a determining influence on the growth of the world economy as a whole. Thus, the importance of close co-operation in economic and monetary policies among them cannot be over-emphasized.

The agenda for the recent meeting covered three main topics. As for the economic policy, reference was made in particular to the interdependence between international commercial and financial activities, and the need to avoid disturbances likely to affect the expansion of trade. I drew the attention of the delegates to the welcome increase in the export of capital from Europe, from which Canada has benefited in recent months.

The second topic dealt with was problems of the modern society. The O.E.C.D. will be examining in detail some of the implications

for economic policy arising from the rapid rate of technological progress in the industrialized world. In this connection, the delegates' attention was drawn more particularly to the growth of multinational corporations. I indicated that the questions raised by the operations of such corporations are, for Canada, of particular importance and suggested that O.E.C.D. should seek to develop internationally recognized ways and means of reconciling the various interests involved.

The third topic covered was Relations with Developing Countries, where O.E.C.D. countries also have a major role to play. I assured Canada's support for the proposed scheme of tariff preferences for the developing world and indicated the importance we attach to achieving an improvement in both the volume and the conditions of aid granted by industrialized countries.

Mr. Speaker, may I table the texts to which I referred?

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I must first of all express surprise that my good friend the minister has not been his usual courteous self in supplying a copy of the remarks he proposed to make. I am sure that this was simply an oversight on his part and that it will be corrected on another occasion.

• (2:10 p.m.)

I listened with great interest to the minister's comments on two quite separate matters; one of which related to relations between Canada and Tunisia, the prospect of the development of growing friendship there, and of assistance by Canada to that country. I am sure that this is something of which all Canadians would approve. This should be, of course, part of an integrated program on the part of Canada to assist in the development of so-called underdeveloped countries, particularly where we have some role to play, perhaps because of some cultural or traditional association.

With regard to O.E.C.D., again an organization of great importance to Canada, I was interested to note the emphasis that the minister placed upon the importance that Canada attached to assisting trading opportunities of underdeveloped countries. I too believe that this is of the very greatest importance. It is perhaps equal in importance to any technical or monetary assistance that might be directly offered to assist underdeveloped countries. I assure the minister and also the Prime Minister (Mr. Trudeau) that his government would have the full support of this party in regard to efforts made to improve trading opportunities for underdeveloped countries, in terms of their trading with the developed countries of the world.

I should just like to take this opportunity, while expressing approval, as I have, of the matters I have mentioned, again to emphasize the importance of Canada's taking a leading part in achieving further monetary reform, which makes it possible for the kind of increased trade to which the minister refers to continue to develop, and not be hampered from time to time by serious crises.

I am a little disappointed that the government of Canada, representing as it does a country with perhaps more, or at the very least as much interest in this matter as any other country of the world, is not playing a more aggressive part in the achievement of additional international monetary reform leading to increased stability.

Secondly, when we think in terms of trade I believe we should be thinking of our future options as a country. I hope that the minister and his associates will not be content simply to attend meetings such as these and to play an active part in such meetings, but that the government of Canada will accept its responsibility in terms of looking ahead to the future possible trading patterns with which Canada will be faced, and the various options that may be open to this country. For example, we should ask ourselves quite seriously whether we can continue simply to rely upon multilateral trading relations, or to what extent we might rely upon them, or to what extent we have to resort to initiatives to explore new trading patterns and possibilities.

I hope that the minister and his associates will be giving these problems—monetary reform, future trading patterns, and the future of Canada in connection with both—their very closest attention.

Mr. David Lewis (York South): Mr. Speaker, I have a brief comment to make. First, may I congratulate the minister for his part in the discussions in Tunisia. I think all hon. members realize the importance of good Canadian relations with all nations, and particularly with Francophone nations. We can play a useful role in nations speaking the French language. On behalf of my colleagues, may I say how delighted we are to hear the minister's report in that direction.

I also noted his comments about the O.E.C.D., and I should like to make brief

comments on the points that have been raised. After studying the question of external aid, it is my impression that the problem of trade and monetary arrangements may be of less importance than the problem of larger grants in aid and, particularly, soft loans to certain countries to enable them to develop their economies to the point where they can exchange goods with the rest of the world on a proper basis.

I do not wish to sound bitter, but my only regret, which is shared by other hon. members of the house, is that to date Canada's external aid has equalled only about one half of 1 per cent of our gross national product. That includes both grants and loans, soft and hard.

I was also interested in the minister's comment showing that members of the O.E.C.D. were concerned about the role of multinational corporations in the world. As the minister knows, the members of my party share that concern. We have definite views about the undesirability of having multinational corporations control such a large part of the economy of this country. I hope the interesting ideas the minister aired may persuade his colleague the Prime Minister, to do something about the Watkins report very soon.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, like the two previous speakers, I am pleased with the agreement that has just been signed between Canada and Tunisia. We can only but approve any agreement which promotes the economic, industrial or cultural development of our country. If, at the same time, we can also assist a country like Tunisia, we are delighted.

However, we wish to stress again the fact that if it is possible to help other countries by some financial means or others, we should not turn a deaf ear to similar requests from our own under-developed areas.

The minister states in his report that from the political and economic viewpoints, he stressed the interdependence between international policies on finance and trade and the need to avoid disturbances likely to affect the development of world trade.

Since there is more and more talk of monetary reform, perhaps we should advise the minister to get help from a member of the Ralliement Créditiste next time there is such a meeting, so that the he will be better prepared to discuss those matters.

[*English*]

COMMUNICATIONS

TABLING OF UNITED NATIONS REPORT ON SATELLITE BROADCASTING

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, last Thursday the hon. member for Hillsborough (Mr. Macquarrie) asked if I would release a copy of the report on satellite broadcasting prepared by Canadian and Swedish scientists for the United Nations committee on outer space. This study was prepared for the committee and has to do with the peaceful uses of outer space. I have checked with Sweden and the United Nations and, pursuant to section 2 of standing order 41, am happy to table two copies of the report in English and in French. I should like to express my pride in the work done by Canadian members of this committee, and particularly by those of the new Department of Communications.

• (2:20 p.m.)

ORAL QUESTIONS

EXTERNAL AFFAIRS

NIAMEY—FINANCIAL SUPPORT FOR AGENCY OF FRANCOPHONE NATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Prime Minister. I suppose I might ask him whether "Colonel Blimp" will be offered equal time in Niger? What I would really like to know is whether the Secretary of State for External Affairs has been instructed to offer financial support to the proposed technical cultural agency for the Francophone nations, as reported in the press?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker; as a matter of general principle, without committing any amount and of course always subject to approval by parliament, we have given the Secretary of State authority to indicate that Canada would be willing to participate in the financing of the secretariat of this French commonwealth of nations.

Mr. Stanfield: A supplementary question, Mr. Speaker. Is it correct to assume from the Prime Minister's reply that there has been no authorization as to any particular amount? Is the Prime Minister not able to inform the house as to what amount the federal government might be contributing, or what amount

the provinces of Canada might be contributing?

Mr. Trudeau: We did give him general guide lines. I would not want to say what they were, in the hope he would be able to stay on the lower side of any contribution rather than on the higher side. His instructions are linked with a proposal that part of the amount forthcoming from Canada might be paid by whatever provinces wish to contribute to such an organization.

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. Has there been any consultation with the provinces concerned with respect to this matter?

Mr. Trudeau: We did invite the provinces, Mr. Speaker, to send delegates to be part of the Canadian delegation. They knew the subjects on the agenda, and I would suppose they would have instructions from their governments as to whether they wished to participate financially or not. I know of one province which so desires. I cannot speak for the others.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to put a question to the Prime Minister.

I should like to ask him whether singer Pauline Julien is attending the Niamey conference at the invitation of the federal government or of the Quebec government?

Mr. Speaker: I have doubts as to whether the hon. member's question is in order.

NIAMEY—CONFRONTATION BETWEEN DELEGATIONS

Hon. Martial Asselin (Charlevoix): I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member wishes to ask a supplementary question, although the first one was out of order. I will nevertheless recognize the hon. member.

Mr. Asselin: I thank you, Mr. Speaker.

Yesterday, the hon. member for Lotbinière (Mr. Fortin) asked a question concerning the possible confrontation at the Niamey conference between the federal and provincial delegations, and I would like to ask the Prime Minister whether there is only one Canadian delegation including New Brunswick, Ontario and the federal government, or if there is also a Quebec delegation represented by Minister Masse?

Right Hon. P. E. Trudeau (Prime Minister): As far as I understand the arrangements agreed upon between the Quebec government and the federal government, Mr. Speaker, Quebec as well as other provinces is sending delegates to Niamey and all these delegates make up the Canadian delegation. I think that a certain Quebec minister prefers to use the words "Canadian representation", and I do not think it is necessary to quibble over the words, but over the substance. The principle is established and if a vote is taken there will be only one vote registered on behalf of the Canadian delegation.

Mr. Asselin: Mr. Speaker, I should like to ask a supplementary question.

Does the Prime Minister mean to say that there is at Niamey only one Canadian delegation made up of representatives from Quebec, Ontario, New Brunswick and the federal government?

Mr. Trudeau: I repeat, Mr. Speaker, that the provincial delegates form a group that I call a delegation, although a Quebec minister prefers to call it "Canadian representation". I believe that, if there is to be some expression of opinion, there will be only one vote, in the name of the Canadian delegation and not for each province.

NIAMEY—PAYMENT OF TRANSPORTATION EXPENSES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to direct a supplementary question to the Prime Minister.

I would like to ask him whether hotel and transportation expenses for the Canadian delegation or the provinces taken as a whole are borne by the federal government or whether each province has to defray its own expenses?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, when the Canadian government sets up a delegation and appoints delegates it is in the habit of defraying the expenses of the delegates. We have in effect offered the provinces to defray the expenses of their delegates, but the province of Quebec, which has vast resources, chose to defray the expenses of its own delegates.

[*English*]

INDIAN AFFAIRS

YELLOWKNIFE, N.W.T.—ALLEGED DEGRADING REGULATIONS IN AKAITCHO HALL

Mr. David Lewis (York South): I have a question, Mr. Speaker, to direct to the Minister of Indian Affairs and Northern Development of which I have given him notice.

I would like to ask him whether he is aware of the degrading regulations being enforced in a hostel called Akaitcho Hall in Yellowknife, a hostel which is under the jurisdiction of his department, which regulations call for the informing of every detail of the behaviour of people who live in this hostel? If he is aware of this, can he inform the house whether those regulations were promulgated and are enforced by the authority of his department?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I wish to thank the hon. member for sending me notice of his question a few hours prior to the question period. I made inquiries and I shall be able to report to the house this Thursday, but I wish to tell the hon. member that apparently those regulations are the work of the students themselves. I am not aware of the nature of the regulations, but I ordered a report to be made, and as soon as this report is received, I shall pass it on to the house. If those regulations are absurd, the hon. member may rest assured that they will not be implemented.

[*English*]

Mr. Lewis: A supplementary question, Mr. Speaker. In his reply the minister stated that these regulations were drawn up by the students. Will there be an investigation into all aspects of the regulations, such as the refusal to let Indians attending the school visit their homes, and the regulation permitting the holding of hands, and no more, between the two sexes? Could the minister look into these childish regulations and inform the house on Thursday exactly what they are about?

[*Translation*]

Mr. Chrétien: It is my intention, Mr. Speaker.

[*English*]

TRANSPORT

ATTENDANCE OF MINISTER AT MARITIMES COMMITTEE SITTINGS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I wish to direct a question to the Minister of Transport. With the successful opening of the Transport Committee maritime hearings in Fredericton yesterday, can the minister answer my question of last week as to when he will be making his appearance in that area, on the line of the visits that he made to various points where the housing task force met?

Hon. Paul Hellyer (Minister of Transport): I am looking forward to it with great interest, Mr. Speaker. It is very high on my list of things to do, and if I can arrange with my hon. friend a date when he will be there to greet me, perhaps we can work it out satisfactorily.

Mr. Bell: Can the minister give us some notice as to when he is going to be appearing, so that we can prepare ourselves? For example will he be appearing in Halifax tomorrow?

Mr. Hellyer: Mr. Speaker, the last time I went down there, just as I arrived my hon. friend left. Perhaps I was over-sensitive to the situation, but I am sure we can now work out something mutually satisfactory for the next time.

Mr. Bell: As a further supplementary—

Mr. Speaker: Order, please. I wonder if the minister and the hon. member might make their own arrangements.

Some hon. Members: Hear, hear.

IMMIGRATION

ADMISSION OF KNOWN PROFESSIONAL AGITATORS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the greatly increased frequency of disruptive activities in the past few days, such as the bomb explosion in the Montreal Stock Exchange and the great amount of damage done to Sir George Williams University, is the government giving reconsideration to its open-door policy covering the entry into Canada of people like Stokely Carmichael and other agitators who openly urge the overthrow of the government by force, which agitation has an effect on activities of this kind?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this kind of problem is under observation and surveillance by the government. We start with the proposition, with which I think the hon. member agrees, that we prefer a free society and free speech. If, however, the situation deteriorates to the point where people come in for seditious purposes then, of course we will have to be much more severe towards that kind of activity than we have been in the past. For the time

being we remain, on balance, prepared to give the benefit of the doubt in favour of free speech.

Mr. Hees: Could the Prime Minister give the house some idea of how long the bombings and disruptive activities will have to continue before he thinks it is a serious matter?

STUDENT UNREST

VANDALISM PROMPTED BY OUTSIDE POLITICAL FORCES

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Would the minister say whether his department has received information confirming the assertion of the Minister of Transport in Toronto over the weekend that student unrest and vandalism in Canada may be prompted by political forces from outside Canada.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): No, Mr. Speaker. I received no representation on that point.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a further supplementary question for the Prime Minister. Has he taken any steps to stop the agitation developed by C.B.C. crews which go about the country?

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in view of the statement of the Minister of Transport I should like to ask the Prime Minister whether he would consider the suggestion in respect of setting up a special committee of the Senate and perhaps the House of Commons to discuss the problem with the students, the professors and administrators of the universities to make sure that this does not happen again in some other university.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I hardly see that we would be in a position to address our inquiry to the educational institutions. I repeat our position, as stated previously, that in so far as this is a matter for the police it is under provincial jurisdiction, and in so far as it is a matter concerning education it is under provincial jurisdiction also. Only when the problem becomes a matter concerning sedition in Canada, including the security aspects, would we intervene on our own. Until this happens we are of course co-operating with the provinces in every area in which they ask us to do so, either by way of exchange of information or in respect of control of explosive materials.

To answer the question about the C.B.C., I have no knowledge of these happenings but if any incidents are brought to my attention I will certainly discuss them with the minister.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I would ask the Prime Minister to review the press releases which came out of Halifax last summer during the time of the disturbances there, in which the crews were very much involved by creating disturbances themselves.

PUBLIC SERVICE

COMPENSATION FOR FAILURE TO RECEIVE RETROACTIVE PAY ACCORDING TO CONTRACT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct this question to the President of the Treasury Board. In view of the complaint by Claude Edwards, the President of the Public Service Alliance to the effect that some 1100 public employees did not receive their retroactive pay in 1968 according to the terms of their contract, will the government give consideration to the request for compensation in view of the extra income tax they will have to pay by reason of receiving this money in 1969?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, because of the progression of labour agreements, and the subsequent adjustments in pay which need to be calculated arising out of those labour agreements there will be a number of public servants in Canada who will have received pay adjustments prior to the coming into effect of the new tax. I think it would be rather difficult to try to distinguish between those who, on some basis, might be entitled to retroactive pay before the tax, and those who would not. Perhaps now we should rely on the physical date of the payment, in view of the fact that the government did put forward a substantial effort and did fairly well in getting as many as possible processed before the date.

Mr. Knowles (Winnipeg North Centre): In the cases where it is clear that the fault is not that of the employees will the government take another look at the possibility of meeting their requests?

Mr. Drury: I do not think there was any fault at all. It was just one of the ineluctable facts of life.

[*Translation*]

VIOLENT DISTURBANCES

SUGGESTED AMENDMENT TO CONTROL SALE AND STORAGE OF BOMBS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct to the Prime Minister a question which relates to supplementary questions asked a few moments ago. As a committee including members of the R.C.M.P., the Montreal police and the provincial police is now investigating into the explosion of bombs in Quebec last week, does the Prime Minister feel that the Criminal Code should be so amended as to provide for a more severe control of the handling, sale and storage of bombs throughout Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think it is a matter of amending the Criminal Code, which is severe enough. It is rather a matter of being able to apply and administer it, and that would mean constant police action.

[*English*]

EXTERNAL AID

TUNISIA—STATUS OF ASSISTANCE PROGRAM

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce with reference to the statements he made on motions. Is the aid, which he announced is to be extended to Tunisia, part of our general external aid program administered by the Department of External Affairs or is it a separate program to be operated by the Department of Trade and Commerce?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): It is part of the general effort, Mr. Speaker.

Mr. Harkness: If that is the case, is it included in the budget of the external aid office of the Department of External Affairs, or will an additional $10 million need to be voted to meet this commitment?

Mr. Pepin: So far as loans are concerned, I repeated the announcement made by Mr. Chevrier when he went to Tunisia of about $3 million worth of soft loans. As instructed by the Secretary of State for External Affairs, I added an amount of $5 million for further soft loans and I understand this is in the present budget of the Department of External Affairs.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I should like to direct a question to the Minister of Finance.

Is he aware that one of the old stalwarts of Social Credit, Hon. E. C. Manning, has just abjured the creditist faith to embrace a more orthodox financial doctrine by accepting to serve as a director of the Canadian Imperial Bank of Commerce?

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, may I put a supplementary question?

Mr. Speaker: Order. The question as put by the hon. member for Trois-Rivières has been considered by the Chair, and there cannot be a supplementary question.

[*English*]

NORTHWEST TERRITORIES

REQUEST FOR STATEMENT RESPECTING SELF-GOVERNMENT

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct this question to the Minister of Indian Affairs and Northern Development. Yesterday I asked when the minister would be in a position to announce the self-government plans for the Northwest Territories.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, my cabinet colleagues have not approved as yet the new policy in respect of the constitutional status of the Northwest Territories. I hope to be in a position to announce it within a few weeks.

I wish to point out to the hon. member that I was absent from the house yesterday because it was my day off. In fact, for a month now I have not been absent from the house even once when my presence was required.

[*English*]

Mr. Howard (Skeena): I have a supplementary question, but as a prelude I might point out that people do not wait for the rotation system of the Prime Minister; they are concerned about dealing with things when they occur. Before the minister leaves again, I should like to ask my question. Surely we are not to conclude from what he just said, and in the light of his statement,

that he would announce this early in February that his policy and submission are so bad that even the cabinet has refused to accept it.

Mr. Speaker: Order, please. The question obviously is out of order.

NATURAL RESOURCES

INQUIRY AS TO WITHDRAWAL OF FEDERAL PROJECTS

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is directed to the Acting Minister of Energy, Mines and Resources. It arises from inquiries I have received, and which I am sure many other members who have conservation projects in their ridings have received.

Can the minister advise the house whether the federal government has withdrawn its share of conservation projects in various provinces?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, there is no question of the federal government's having withdrawn its share. Of course there are continuing discussions about which projects are in fact approved, which are not, and at what stage various projects have been approved. I take it these discussions will continue.

Mr. Hales: Will the minister advise the house when the various provinces might be advised as to the forthcoming share of the federal government?

Mr. Lang (Saskatoon-Humboldt): The provinces are kept informed at all times, Mr. Speaker.

FORESTRY

MOBILE WATER BOMBERS TO CONTROL FOREST FIRES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I am not certain whether I should direct my question to the Minister of Transport or the Minister of National Defence, but since they are both in the house perhaps the responsible minister will answer. Is it the intention of the federal government to establish a highly mobile national reserve fleet of water bombers which would be kept in readiness for use in various areas in the provinces of Canada experiencing extreme fire hazards?

Mr. Speaker: I should think this question might be placed on the order paper. If there is urgency, which is not apparent to the chair, it could be discussed at the time of adjournment.

[Mr. Howard (Skeena).]

Mr. Crouse: On a point of order, Mr. Speaker. Let me point out that most of the provincial legislatures are sitting at the present time, and if the federal government anticipates such a move this information would be most helpful to provincial government plans.

POST OFFICE DEPARTMENT

REPORTED LOCKING OF WASHROOM FACILITIES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have what might be described as a basic question for the Postmaster General. In reference to his comment about making the post office a more happy place, will he investigate the report of the locking of washroom facilities for letter carriers, and bring about an open door policy?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I do not think there is any question of this having occurred, but I am having an investigation made of it.

NEGOTIATIONS AS TO DEFINITION OF TRAVEL TIME

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, would the minister say whether it is the position of the government that the question of travelling on paid time or on the workers' time at lunch is considered to be negotiable?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I have explained to the unions on several occasions that if they do not like the present position of the department they can always make the situation the subject of a grievance.

ALLEGED DELAYS IN INTERPROVINCIAL DELIVERIES

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have an urgent question for the Postmaster General. In light of the fact that under the new postal delivery schedules, more particularly in rural areas, there are delays of up to five days in delivering mail across provincial boundaries, can the minister say what steps he or his officials are taking to rectify this peculiar and serious problem?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I do not think the existence of provincial boundaries has anything to do with the delay of mail. If the hon. member has more precise information and will tell me exactly what boundaries he has reference to, I will be glad to look into the situation.

Mr. Southam: I am sorry if the minister has not already received a communication from me, but I am thinking of the eastern boundary of Saskatchewan in respect of which there have been definite instances where it took five days to get mail delivery five miles across the boundary.

COMMUNICATIONS

REQUEST FOR REPORT ON SATELLITE STUDIES

Mr. Ed Schreyer (Selkirk): Mr. Speaker, having had a week to consider the matter will the Postmaster General now indicate to the house whether he will table the white paper setting forth the form of the organization of the proposed domestic space communications satellite corporation, before the legislation is introduced?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, the hon. member is referring to the McIntosh report. That was an internal report prepared for the department. However, as I said I will get the opinion of my colleague as to whether or not this should be released.

[*Later:*]

Mr. Schreyer: Mr. Speaker, since the McIntosh report is an interdepartmental working paper, can the minister say whether or not he will table any document, material or policy of the government having to do with the domestic space communications satellite corporation before he introduces the legislation?

Mr. Kierans: I will take that question under advisement, Mr. Speaker.

GRAIN

VANCOUVER—MOVEMENT THROUGH USE OF U.S. DIESELS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, in view of the continuing reports that the grain situation at Vancouver will not correct itself until late in April or May, will the Minister of Industry, Trade and Commerce indicate whether during his discussions with the railway companies recently he indicated an attempt had been made to obtain diesel units from United States railway companies to alleviate the situation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, when I was in Vancouver a week and some days ago the railway companies accepted targets above the targets they had accepted with the transportation committee on November 15. These new targets are 300 box cars a day for the C.N.R. and 301 for the C.P.R.

I have now in my hand a report as to what happened last week. There is an improvement. The C.N.R. for two days has gone above the rates of the accepted target. They are doing pretty well. The C.P.R. is not doing as well, but I was on the telephone this morning to ask them to do better. I have a full report here on the situation of unloading in Vancouver, which I would be glad to show to my hon. friend, and I have received—

Mr. Speaker: Order, please.

Mr. Korchinski: In view of the reports I am receiving, that there are still elevator points which have not delivered any grain since last fall, would the minister consider discussions with the railway companies to the end that more power might be obtained from United States transportation systems?

Mr. Pepin: As my hon. friend knows, I receive representations on this subject every day, which I duly pass on to the railway companies, asking them to do as well as they can to remedy special situations.

NATIONAL SECURITY

DEVELOPMENT OF ATOMIC WEAPONS BY PRIVATE ORGANIZATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question which he might regard as one which might appropriately be answered at some future day, on motions. In view of the concern of the government of Canada about proliferation in the use of atomic weapons by states, is it the view of the government that there is any imminent danger of atomic weapons being developed by private organizations, gangs or groups within society? If there is any such concern, will the Prime Minister say whether the government of Canada is taking any initiative in international terms with a view to preventing such developments, or controlling them if they occur? I am not asking for any breach of security, but if the government has such concern, are steps being taken?

Mr. Speaker: Order, please. It is evident from the way the Leader of the Opposition

has asked the question that he agrees with the Chair that this is a question of very wide scope, which normally would be answered by way of a statement on motions. That is my suggestion to the hon. member.

[*Later:*]

Mr. Stanfield: Mr. Speaker, I am not sure whether the Prime Minister undertook to make such a statement.

Right Hon. P. E. Trudeau (Prime Minister): I did not undertake to make such a statement, Mr. Speaker, but I will discuss the matter with the Secretary of State for External Affairs.

[*Translation*]

EXHIBITIONS

MAN AND HIS WORLD—REQUEST FOR ASSISTANCE PLAN

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a question to the Minister of Finance.

In view of the proposal for co-operation from the government of Quebec as regards the financing of Man and His World, could the minister inform the house of the federal government's decision in that connection?

[*English*]

Hon. E. J. Benson (Minister of Finance): Not at this point, Mr. Speaker, but the offer was to finance it with our money.

HOUSE OF COMMONS

REQUEST THAT BILLS BE PRINTED IN GREATER NUMBERS

Hon. Donald S. Macdonald (President of the Privy Council): Yesterday, Mr. Speaker, the hon. member for Palliser asked me whether or not I could give some assurance to the house as to the printing in the future of larger supplies of important public bills, so that a wider distribution of such bills could be made to members of the public who are interested. I should like to inform the house that I have had discussions with responsible officers of the house and that a system will be instituted which we hope will have the effect of anticipating, to a greater extent, the need for wider distribution of certain bills, and therefore the need of endeavouring to have on hand a reasonably larger supply of them. While I am sure that this system cannot be perfect for obvious reasons, I am sure it will improve considerably the situation pointed out by the hon. member.

[Mr. Speaker.]

TRANSPORT

REPRESENTATIVE OF TRANSPORT COMMISSION AT MARITIMES COMMITTEE SITTINGS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question to the Minister of Transport is similar to a question asked yesterday by the hon. member for South West Nova, who is on his way to Halifax now to join the transport committee's hearings. Will the Canadian Transport Commission be represented at those hearings?

Hon. Paul Hellyer (Minister of Transport): The answer is yes, Mr. Speaker. I understand that an officer of the Canadian Transport Commission joined the committee yesterday at Fredericton, and will continue the tour with them.

Mr. Thomas M. Bell (Saint John-Lancaster): I have a supplementary question, Mr. Speaker. Would the minister also consider sending on this trip the Minister without Portfolio, who is ready, able and willing to go?

NATIONAL CAPITAL

SUGGESTION BY DOMINION-PROVINCIAL CONFERENCE TO INCLUDE OTTAWA AND HULL

Mr. Barry Mather (Surrey): Mr. Speaker, I wonder if I could address a question to the Prime Minister. Having in mind the decision of the federal-provincial conference calling for the development both in the Ottawa and Hull area of a truly national Canadian capital, could the Prime Minister indicate at this time what study is being made or what action is being taken on this important project?

Mr. Speaker: Order, please. I would like to suggest that the scope of the hon. member's question is very wide and that it would probably require a long answer which should be given by way of a statement on motions. However if the Prime Minister wishes he may give a short answer to the question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I could make the answer short. We did have meetings last week. Apart from the constitutional conference Premier Robarts, Premier Bertrand and myself had certain private meetings with a view to studying the federal government's desire to expand some of its works on the Hull side of the river. Certain agreements were reached before the conference, and further consultation is going on.

Inquiries of the Ministry

AIRPORTS

SECOND SITE TO SERVE SOUTHERN ONTARIO

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Transport. I was wondering whether the minister could advise the house whether the federal-provincial committee has been established to pursue the selection of alternative sites for a second airport to service the southern Ontario region and, if it has been selected, could the minister advise what is the federal participation?

Hon. Paul Hellyer (Minister of Transport): Not yet, Mr. Speaker.

Mr. Alexander: I have a supplementary question, Mr. Speaker. In view of the fact that the minister had so much opposition in the Malton expansion, can he say whether the government intends to hold public hearings in order to get the views of the public from the areas which will be affected, so that we shall have a participatory democracy?

Mr. Hellyer: It is certainly a good suggestion, and one which will be taken into consideration. My hon. friend will appreciate that the kind of area we would seek is one which would affect very few persons; otherwise it would not meet the criteria that, I am sure, would be set down at the outset.

FISHERIES

PRICE SUPPORT ON ATLANTIC SALT COD

Mr. John Lundrigan (Gander-Twillingate): I have a question for the Minister of Fisheries. Can he say whether, in fact, the province of Newfoundland has made representations to his office for price support for the 1968 Atlantic salt cod fishermen?

Mr. Speaker: It is not in order to ask simply whether a request has been made or a representation submitted to the minister.

Mr. Lundrigan: May I rephrase my question and ask the minister whether as a result of representations made by other bodies the department is in a position to say whether they are going to advance any price support to the fishermen for the 1968 catch.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the department is considering representations made by the federation.

TRANSPORT

DISCRIMINATORY REDUCTIONS IN EXPRESS ASSOCIATION RATES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I would like to direct my question to the Minister of Transport. Will he investigate the circumstances surrounding the fact that in Saskatchewan the Express Transportation Association has set new rates allowing higher rates to be charged at points in Saskatchewan than at points farther west, such as Edmonton and Vancouver, for moving the same product?

Mr. Speaker: Order, please. The hon. member has made a submission to the minister and now he has to assume it will be looked into.

[*Translation*]

AIR CANADA

DISCONTINUANCE OF SERVICE FROM TROIS-RIVIÈRES

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to put a question to the Minister of Transport.

Could the minister tell us whether it is true that Air Canada is about to discontinue its service at its base in Trois-Rivières?

Mr. Speaker: Order, please. That question should be put on the order paper.

[*English*]

IMMIGRATION

REQUEST FOR STATEMENT OF POLICY ON ADMISSION OF FOREIGN STUDENTS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Will the minister confirm Canada's policies with regard to the entry into Canada of foreign students, in order to allay fears expressed by the ex-prime minister of Bermuda that Canada may exclude all foreign students from the country—a policy very discriminatory and regressive?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): There has been no change in the policy with respect to the admission of students to Canada. We are naturally observing the situation in Montreal, and if any action is indicated following these hearings it will be taken.

Inquiries of the Ministry

VIOLENT DISTURBANCES

REQUEST FOR COLLECTION OF INFORMATION TO DISCLOSE COMMON CAUSE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question on the same topic which I wish to direct to the Prime Minister. In view of the fact that the Prime Minister has refused to set up a committee to investigate violence in general, would he consider setting up a committee strictly for the collection of information on the subject of violence to see if there is any common denominator across the country?

[*Later:*]

Mr. Yewchuk: Mr. Speaker, I rise on a point of order. I think the Prime Minister wanted to answer the question I asked him a few minutes ago, if he were given the opportunity.

Right Hon. P. E. Trudeau (Prime Minister): I thought it was addressed to the Minister of Manpower and Immigration, and that he might have some ideas on it. I do not see why we should set up a committee to investigate violence, as the hon. member suggests. If we do, it would be said we are setting up committees to deal with everything, but that they do not report, and so on. I think we have the situation under observation and there are committees of the cabinet which are looking into it.

NATIONAL DEFENCE

EXPLOSION IN REGINA RECRUITING CENTRE

Mr. John Burton (Regina East): My question is for the Minister of National Defence. Has the cause of the explosion last Saturday morning in the Canadian armed forces recruiting centre in Regina been determined?

Hon. Léo Cadieux (Minister of National Defence): We are still investigating the incident. It is now suspected that it was a commercial gas explosion, but the provincial police, the city authorities and authorities at the base are investigating the problem. We hope to have a report quite soon.

NATO—WITHHOLDING OF FUNDS UNTIL COMPLETION OF REVIEW

Hon. Léo Cadieux (Minister of National Defence): While I am on my feet may I be allowed to answer a question which was raised on February 5 by the hon. member for Selkirk. I would like to reassure him that no public funds have been allocated for the construction of permanent buildings for Canadian forces bases in Europe.

[Mr MacEachen.]

[*Translation*]

RURAL DEVELOPMENT

ARDA—EXPENDITURES IN YEAR 1966-67

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in view of the absence of the Minister of Forestry and Rural Development, I should like to put my question to the Prime Minister who had much to say about regional disparities during the last election campaign as well as at the last federal-provincial conference.

Can he assure us that expenditures in 1966-67 under ARDA, of which $16 million were allocated to the province of Ontario and $20 million to the nine other provinces—

Mr. Speaker: Order.

[*English*]

TRANSPORT

NEWFOUNDLAND—FURTHER ABANDONMENT OF RAIL LINE SERVICE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Minister of Transport. Can the minister say whether applications have been received to abandon two further rail line services in the province of Newfoundland?

Hon. Paul Hellyer (Minister of Transport): I will have to refer the hon. gentleman's question to the Canadian Transport Commission.

Mr. Lundrigan: I have a supplementary question. May I ask the minister, in view of the fact that the committee is now travelling through that particular part of the country, whether he would make an effort to urge the transport commission to set aside its decision. I am thinking of the minister's good health as well as that of Mr. Pickersgill.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the President of the Treasury Board based on information which was placed in *Hansard* yesterday in reply to a question of mine on the order paper. In view of the fact that since this session began in September more than 600 retired civil servants have died without getting the pension increases that were recommended two years ago, could the minister say how much longer we will have to wait before this matter is dealt with.

Hon. C. M. Drury (President of the Treasury Board): I cannot give a precise date.

Mr. Baldwin: When the government changes.

[*Translation*]

AIRPORTS

QUEBEC—LOCATION OF INTERNATIONAL AIRPORT

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Transport.

Can he tell us exactly when the decision on the site of the new international airport will be made known to the public?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Every day we are getting a day closer to the decision.

Mr. MacEwan: You will go down in history for that statement.

Mr. Hellyer: I hope it will not be too long delayed.

[*Translation*]

Mr. Fortin: Mr. Speaker, I would like to ask a supplementary question.

Could the Minister of Transport give us the reason for the delay in announcing this decision?

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to ask a supplementary question.

Will the Minister of Transport, before he makes his decision, take heed of the representations of the government of Quebec about the site of the new airport?

Mr. Speaker: The question was put, a moment ago, in exactly the same way.

Mr. Asselin: May I put it in another way, Mr. Speaker?

Will the Minister of Transport meet again with other representatives of the government of Quebec to discuss the site of this new airport?

[*English*]

Mr. Hellyer: There have been continuous consultations, Mr. Speaker, and as I indicated to the house earlier, and as you so kindly pointed out, we certainly are interested in the views of the Province of Quebec. These views, along with all other considerations, will be taken into account before a final decision is reached.

GOVERNMENT ORDERS

INCOME TAX ACT AND ESTATE TAX ACT

The house resumed, from Monday, February 17, consideration of the motion of Mr. Benson that Bill C-165, to amend the Income Tax Act and the Estate Tax Act, be read the second time and referred to a Committee of the Whole, and the amendment thereto of Mr. Saltsman (p. 5191).

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, the minister has made much of the fact that he has agreed to changes in his original proposal in regard to estate taxation. But these changes were minor modifications only. There is no basic difference between the legislation we are considering today and the original measure outlined by the minister almost four months ago. He set out then to destroy any accumulation of private capital that remained in this country. His intent is still the same. All he did was change the load in the murder weapon. It may take the family farm and small private Canadian business a little longer to die under the new arrangement, but they are just as surely doomed to extinction now as they were when the minister passed sentence on them back last October.

There is one aspect of the minister's behaviour in this whole affair which I must confess I am at a loss to understand. I refer to the atmosphere of deception and trickery in which he has cloaked all his announcements and explanations. Nothing could be more devious than the way in which he has sought to confuse the public and convince Canadians that he has really done them a great favour by the latest changes in his proposal.

The minister implied, although he was careful not to spell it out, that Canadians would now enjoy an estate tax exemption of $50,000 instead of the originally announced $20,000. When we read the fine print, however, we see that what he did was leave the old exemption of $20,000 unchanged. He merely raised the tax floor to $50,000. What this means is that if a man dies leaving an estate of $50,000 he is exempt from the estate tax. But if he is unfortunate enough to have been $1,000 more successful and to have left an estate of $51,000, his estate will be liable to taxation and the exemption will be only $20,000. In other words, it would be liable to the new punitive tax rates on a sum of $31,000.

Anyone who knows the value of real estate in the province of Ontario today, and who appreciates the inflated value of everything, thanks to the Liberal 60-cent dollar, knows very well that a prosperous family farm or a thriving small business will more than likely be well within the minister's taxing grasp. All he has done by setting the arbitrary figure of $50,000 is to assure that those family farms, small businesses and other family concerns which are efficient and most valuable to the economy will be hardest hit.

The minister has succeeded very neatly in penalizing efficiency. He has hit the very bracket of private business which contributes most to the national economy. The marginal farm, the ineffective manager, the part-time enterprise that needs either moonlighting or other outside assistance to stay alive, have been placed in a preferred position. For the time being at least they will escape the tax axe, if they carry the Benson seal of inefficiency. But the family farm operated by a trained and dedicated farmer will be desperately hard hit. The grocery store, the garage, the local automobile or farm machinery outlet, or any other type of rural Ontario family enterprise which is effectively run as a family business, will get the full cut.

If the minister is sincere in his explanation of this tax, why is he risking the ruin of a large and lively section of our national economy for the sake of a paltry $30 million in revenue? And $30 million is a paltry amount of tax money to those who can shrug off underestimates in national budgeting running into thousands of millions. It is a paltry amount to a minister who countenances an increase of more than $1 billion in national spending in one year while at the same time preaching austerity and restraint in spending.

In a speech some time ago at London the minister said there had been very few cases of businesses or family farms having to be sold to meet taxation. What he failed to mention was that this has been true in the past; it was only true in the days before the coming into effect of his new proposals. He also failed to mention that the actual sale of family businesses or farms would normally take place before the death of the owner, though the chief motive for selling out would still be the menace of the estate tax.

In the Montreal *Gazette* of January 29 the highly respected financial writer, John Meyer, touches on this point. He wrote as follows:

> The exemption of all estates up to $100,000 would cost the government, according to some estimates, only $12 million in revenue while permitting large savings in processing. Such an exemption would relieve many of the small business and farm difficulties raised by the present taxing process. It would substantially relieve the forced sales which are a particular objection to estate taxation generally. That advantage could be achieved at quite a small cost if Mr. Benson would be prepared to recognize it. Mr. Benson, however, says the experience of the finance department indicated that forced sales after death to meet taxes are limited. No doubt this is true. What neither Mr. Benson or the finance department can possibly know is the number of sales made in advance of death. The tax consultants and professional executors could have told him if given the chance.

No, Mr. Speaker, the minister has not really changed anything. He has juggled some figures and reworded a few press releases but he has kept intact the punitive quality of his legislation. Private enterprise and private initiative are to be discouraged. The minister has made them an offence and he has provided penalties which are harsh, discriminatory and destructive.

The message of this government—this government of the just society, publicly pledged to the support of individual rights and freedom—as broadcast by the Minister of Finance is clear. It is: Get out of the field of private endeavour. Sell your store, sell your business, sell your farm. Move to the city and get a job where we can keep our eye on you and deduct our taxes at source. Become part of the regimented mass and do not foul up our computers with individual initiative. Or, as one of my constituents put it the other day: Sell off all your holdings now, blow the proceeds in high living in Florida and Europe and return broke to live the rest of your lives on welfare.

• (3:10 p.m.)

Before I finish my remarks, Mr. Speaker, I would like to say something about one of the most arbitrary and unjust aspects of this taxation. As a matter of fact, it is an aspect that is part of all federal taxation. This is the fact that the federal authority levies taxes upon individual Canadians and individual Canadian enterprises at its own valuation.

I am sure there are very few members in this house who have not learned first hand of examples of this inequity. The federal valuation is too often made at long range and without any regard to local valuation or the effect of temporary or long-term economic recession on those local valuations. Under the proposed estate tax scheme it will be quite possible for families sincerely to believe that they are well under the taxation floor only to find that an arbitrary federal valuation places them not

only in a taxable bracket but well up in it. This has happened in the past and is even more likely to happen under this proposed scheme. Then just watch the forced sale of farms and businesses to meet estate taxes.

If the minister and the government majority succeed in making this dangerous and destructive measure law, then I suggest that some means of fair and equitable valuation of estates for taxation purposes be evolved. This, at least, would be one gesture of fairness and decency in a taxation scheme that, as it now stands, lacks both.

Mr. George Muir (Lisgar): Mr. Speaker, I think that most members, like myself, find it rather hard to believe that the finance minister has had, to use his own words, very few protests in regard to the proposed changes in the estate tax legislation. In view of the tremendous number of letters that have been received by most members from all across the country, the taxpayers of Canada must either be unaware of the minister's presence in the house or feel that his attitude is so stubborn and inflexible that it would be useless for them to appeal either to his good nature or to his good judgment.

Personally, I cannot recall a single issue that has brought forth such a volume of mail from my constituents. I know too that many other members have received the same tidal wave of protest. The remarkable thing about all this mail is that it comes from individuals who are concerned and is not part of an organized effort. Surely even the minister of a government as arrogant and as far removed from the thinking of the people as this one cannot long remain totally unaware of the massive resistance to this measure that continues to grow daily from coast to coast.

I want to be fair to the minister. By exempting an inheritance between spouses from taxation he has recognized the contribution both partners in a marriage make toward building a common estate. But what he fails to recognize is that the one main incentive for such a partnership is the creation of something tangible to pass on to their offspring. This legislation makes it virtually impossible to pass on a viable family economic unit intact to the heirs without involving them in an undue amount of debt.

I am concerned about the effect of this negative and destructive tax on the Canadian economy and the Canadian society as a whole. Representing a rural riding as I do, I am particularly concerned about its effect on Canada's agricultural community, the independent rural businessmen and farmers. In the past it has been difficult enough to establish sons on the family farm. The minister in a speech to a Liberal meeting admitted that the estate tax places a burden on the transfer of family farms and businesses between generations, but he suggested the burden is not a heavy one.

He went on to say that an estate tax does place a special burden on estates in which the major assets are not liquid, which is almost always the case when a farm or business is owned and operated as a family enterprise. The burden, he said, is only significant where the business is to be carried on by the children, or has not been sold at the time of death of the chief shareholder. In other words, he has admitted that the tax is going to make it difficult to continue small family enterprises. He has further admitted it by changing his original proposals in two ways: first, estates under $50,000 will be tax exempt and, second, instalment payments of the tax will be allowed up to five years. Even with these changes he does not grapple with the situation in which the taxes are levied on the basis of an arbitrary valuation of the property, or where such valuations do not bear any resemblance to local market conditions or take into account regional economic cycles.

Let me give an illustration. A farm in Manitoba which could have been sold for $250 an acre last year would, because of the surplus grain situation, shortage of cash and high interest rates, be hard to sell at the present time at any price. It is not unlikely that any family farm in western Canada could be greatly over valuated under those conditions and have to be sacrificed at a valuation far below that placed upon it by the federal tax authorities.

Inflated costs, particularly of machinery and equipment, have placed all but the smallest farm enterprise well over the $50,000 valuation. With inflation still rampant the minister has caught a huge number of small family businesses and farm enterprises in a tax net originally designed to catch only the very largest. In fact, he has left the largest estates virtually untouched and hit out hard at the smaller ones. This is in line with other actions of this government such as the preferred position given people with higher incomes in the application of the new 2 per cent social development tax.

Nor does the exemption up to $50,000 do much to change the situation. A more realistic exemption base under present inflated conditions would be $100,000. The fact that the tax exemption for estates over $50,000 still remains at $20,000 simply proves that the minister has not taken the time or trouble to study the serious effects the application of the tax will have on our free enterprise system. One does not have to be an economist to realize that all this will lead to the phasing out of the family enterprise and the emergence of corporate groups. It means the extinction of the family farm, and inevitably of Canada's agricultural communities.

The *Western Producer* had this to say in a recent editorial:

> It is almost incredible that the government that has had so much to say about the "just society" should introduce such punitive legislation. It seems to us there could be no quicker way to destroy the family farm and to hasten the day when land resources will be controlled by huge corporations.

When one considers that 75 per cent of estate taxes collected by the federal government goes to the provinces, I say it is just as incredible that discussions were not held with the provinces before imposition of the tax. This is particularly so since the federal share amounts to approximately one per cent of the federal budget. Of this amount it is estimated the government would lose $12 million if all estates below $100,000 were exempt, as my hon. friend from Victoria-Haliburton noted. At the same time there would be a considerable saving in not having to process the greater number of estates involved. One wonders, under these conditions, if this new estate tax set-up is being brought in not as an economic measure but rather as a social measure.

• (3:20 p.m.)

Surely this levelling off in the distribution of wealth need not reach down to penalize thrifty, independent businessmen and farmers who, in a lifetime, use their earnings to build modest estates for themselves and their families. It is of interest to read what the Ontario Economic Council had to say in its report just prior to the estate tax changes announced as part of the current budget. I quote from that part of the report which is most apt:

> Those responsible for guiding the course of our nation's development need only to look to history to find proof that nearly every past civilization has hastened its ruin through dissipation of capital by taxation.

One has only to read the history of the Roman empire to see what economic oppression of the individual farmer and businessman can do to hasten this ruin. There the small farmers and small businessmen were driven from their holdings to become faceless parts of an urban mob that contributed nothing and demanded everything.

In a country such as Canada that is hungry for capital and counts capital as one of its largest imports, one would think the formation and development of private capital within the country would be the government's foremost aim. Among 14 countries surveyed by the Ontario Economic Council, Canada was found to levy the highest percentage of tax on capital. It was ahead of the United States and Great Britain by a wide margin; it was even ahead of socialist Sweden. Canada was third of ten nations in the percentage of total government revenue raised by death duties and gift taxation. Great Britain was first at 3 per cent; the U.S. was next with 2.6 per cent and Canada was third with 1.8 per cent. West Germany, last with 0.1 per cent, had the lowest rate of estate tax but showed the highest rate of economic growth. That may be significant.

One other aspect of the proposed estate tax worth nothing is the supposed concession to wives contained in the new regulations. The Canadian Tax Foundation dismissed this point by saying it was simply "a carrot dangled before wives" that could and probably would lead to unexpected tax pitfalls. The truth of the matter is that it is no concession at all. It is simply a deferral of taxation. And when the tax bite comes later it will be that much sharper and deeper. This deferred tax only means eventual taxation at higher rates.

This is far more a social measure than an economic one. When one considers how little revenue will be forthcoming and when one further considers that the minister did not bother to consult the provinces about a matter that so intimately concerned them, one is forced to conclude his objective was something other than revenue raising.

In the Hamilton *Spectator*, as quoted in the Winnipeg *Tribune* of January 11, the editorial writer notes:

> Not only does its underlying motive appear to be directed more towards a theoretical political aim than to a fiscal need, but the measure could radically change the character and purpose of Canadian business.

The editorial concludes:

> Surplus capital essential to Canadian ownership and to industrial expansion in this country is

being increasingly diverted into government coffers. In the years to come these estate tax measures will change the economic and social structure of Canada.

May I also quote an article in the same issue of the Winnipeg *Tribune:*

Mr. Benson's basic assumption in the draft law is that a man has really no right to direct how his savings are to be used after his death. In Mr. Benson's philosophy a man's life earnings become the property of the government and anything he disposes of by will is allowed only by government benevolence.

With all that I agree, Mr. Speaker. But perhaps the editorial writer laid the blame in the wrong place. I do not believe this is the philosophy of the Minister of Finance. I think that this is the basic philosophy of the so-called "just society". He had no choice except to do his master's bidding. As the Winnipeg *Tribune* writer put it:

This is, of course, arrant statism and authoritarianism at its worst.

That is not a bad description of this "just society" we are supposed to be enjoying.

I return to the point I made earlier about the family unit and the motivation of the family partnership. On this point and on the whole question of the direction in which the Prime Minister's "just society" is leading us, I recommend most highly to hon. members that they read an article in the Winnipeg *Free Press* of December 2, 1968, by Shaun Herron. In part he says:

—the impulse to prosper and provide, to "do the best one can for one's family", this we have approved, this we preach, this we applaud. And, of course, what a man makes is his. He pays his taxes on it—and today they are heavy—but what he has left after taxes is the fruit of his work, skill, foresight, and enterprise. It is his, earned and paid for by blood, sweat, toil and taxes—

Has it occurred to Mr. Trudeau that when he forces men, who can, who will, and who want to work hard, to ask "why work?" he has begun the creation of a "just" society in which all men are equally grey, equally poor, equally idle and equally ill? Is this what the Liberal caucus intended?

After that, Mr. Speaker, there is little to add. I simply say that the proposed new estate tax system is unjust, unnecessary and unrewarding. If it has been conceived as an economic measure it will do harm to the economy, not good; it will cause far-reaching economic disaster and will remain a monument to the negative and the destructive. If it is advanced as a social measure in disguise, then I believe it to be unwarranted and exceedingly dangerous to all those beliefs and institutions on which our country has been built and which have enabled it to prosper.

I hope that the minister and the government will consider dropping this tax on death, particularly since it applies to moderate family enterprises. I am speaking of independent businessmen and farmers who have contributed so much to our basic philosophy of freedom and who, if allowed to survive, will remain the backbone of our free enterprise system.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on this estate tax measure I wish to say that this problem has been debated long and inconclusively by many people. No doubt governments need money; the public purse must be filled in as many ways as possible. But the amount of tax that needs to be raised depends on the spending habits of the government and the demands of society for social programs and money to carry out those programs.

Any single tax measure in a taxation system is introduced as a result of many social, economic and other factors of long standing. It is considered that an undue concentration of wealth resulting from a complete absence of transfer taxes tends to destroy the incentive that makes the economy viable. On the other hand, too severe an imposition of transfer taxes has the same effect; it reduces the national urge to save and build. It can be argued with a reasonable degree of righteousness that it is socially desirable to introduce estate taxes which will prevent the build-up of large units of economic family wealth. It is argued that such accumulated units of wealth do not serve the interests of society generally and ought not to be allowed to remain intact.

The bulk of tax revenue comes from taxation of income and consumption. Transfer taxes, or estate taxes, are levied nationally on accumulations of capital. As such they naturally influence the behaviour of the individual bearing the brunt of this tax. The citizens who are most directly concerned about this problem and who have been very vocal in their objections are farmers and small businessmen. They have been so vocal that the Minister of Finance has seen fit to change the provisions of the estate tax regulations. As a result some relief has been given to these people.

• (3:30 p.m.)

The imposition of the estate tax on larger estates has meant that on the death of the

Canadian investor there has been a movement to sell many businesses to foreign firms, especially to United States firms. In a country which is continually worried about the substantial foreign capital investment and which must rely for a high degree of capital inflow either on the savings of its own people or on foreign investment, tax policies that encourage the sale of businesses to foreign investors should be seriously considered by the nation as a whole in the light of whether or not the estate tax is a good tax.

The recent statement of the three prairie premiers in which they urged that the fiscal policy of the federal government should take priority over the language question at the Federal-provincial conference last week indicates the very great concern of these premiers and of many people in Canada that the strains of our nation's fiscal problems could well contribute to our break-up and the fragmentation of the political life of the country. These same premiers have signified their intention of remitting the provinces' portion of the estate tax to estates, which indicates their feeling that the estate tax needs radical revision.

The estate tax falls upon the family of the entrepreneur whose enterprise has created the capital while his family has had to undergo social and economic restrictions. It might be socially desirable that all income and revenue should revert to the Crown on the death of the entrepreneur but such an attitude would, I am sure, prevent or seriously discourage enterprise by individual entrepreneurs.

In a report of the Ontario Economic Council, of 14 countries examined Canada emerged with the highest general capital taxes, including death taxes, gift and property taxes, surpassing the United States and Great Britain. It is significant that Germany had a low estate tax and a high rate of economic growth compared with Britain where there was a high death tax rate and very low economic growth. The study asks: "Are our estate tax laws designed to chastise or to welcome investors and job creators?" In my opinion the rather violent reaction engendered by the minister's estate tax formula is generally the result of the inflationary period through which we have passed and which we will likely continue to experience for a number of the years.

The minister has stated that 95 per cent of Canadians will not be involved in estate tax. I suggest that the percentage will be much less than he has forecast and that in the future many more people will be involved inasmuch as once this legislation is on the statute books it will not be changed for a number of years. Even with the proviso that estates of $50,000 or less will not be taxed, in the near future many more estates will be taxed and the numbers will grow in volume even though the real value remains constant owing to the inflationary change.

Indeed, unless most farms and small businesses have capital of over $50,000 they will not provide for their owners any reasonable degree of standard of living. The capitalization on western farms, in order to return the owner $5,000 or $6,000 a year even including the operator's wages, needs to be in the order of $60,000 to $100,000. The general philosophy of the farmer and small businessman in his earlier years was to save money out of his income to build up his business so he would have more to retire on or to pass on to his family. In recent years the Canadian economic climate has not been directed at all toward the building up of savings for the farmer and small businessman to pay off their obligations. We have become a very consumptive type of society in which we are projecting a philosophy that everyone is entitled to consume without the corresponding proviso that he should produce.

Regardless of the perhaps basic philosophy that all personal resources should return to the estate on the individual's death, I believe we are overlooking one very important factor that has not received much consideration or debate by our people. It has been said by many that automation will replace many people in the manufacture of the products we consume, but a recent study by the Economic Council of Canada in its fifth annual review would indicate that we are moving steadily into an economy that is becoming increasingly service-oriented. A service-oriented economy is a difficult area in which to establish a high level of efficiency. For instance, in the United States last year the health service field was considered to be the third largest industry, with the projection that it would become the largest industry within a few years.

The service field is an area where it is increasingly difficult to carry out an efficient operation. The Canadian Economic Council's analysis of changes in the growth pattern of the Canadian economy discloses a really amazing trend. In the period from 1946 to 1966 Canada experienced an enormous expansion and diversification of industrial activity,

but the more striking fact is that all the employment growth took place in the service industries. While the shares of the goods producing and service producing sections have remained approximately constant in value of output—each section accounting for roughly 50 per cent throughout the period—the shares in terms of employment have changed places.

In 1946 the goods producing industries accounted for about 60 per cent of total employment; in 1966 the service producing industries accounted for about 60 per cent. In the goods producing industries real output expanded about 5 per cent annually while employment did not expand at all, so that the real growth was about 5 per cent annually per worker. In the service industries real output expanded more than 4 per cent annually but employment grew almost as fast and the growth rate of output per worker was only about 1 per cent annually.

In western Europe the service industries account for only about 35 per cent of the employment as opposed to 60 per cent in Canada. This creates a marked imbalance in growth rates between the economies of Canada and western Europe and if carried forward could result in difficulties for our economy. This means that we must look increasingly for greater efficiency in our economy.

I believe it is becoming more and more important that the small individual entrepreneur be encouraged to remain and increase his stake in the economic growth of the country, and that our society would be sadly lacking if it attempted to dispense with these people. Management is very important in our economy. Indeed, management is just as important as labour, and unless the two are very closely joined labour is unable to progress without good management. The fact that farm management has increased its efficiency faster than any other part of our economy in the past two decades indicates that the individual farmer is as efficient as his large industrial counterpart. Indeed, an analysis of the position of the Soviet Union shows that relatively many more people are needed to work in agriculture in that country than in North America to produce the food needed to feed the country. The Economic Council suggests that larger farms, new technology, better inputs and research in agriculture are necessary to raise productivity in food production, processing and distribution.

It is my contention, Mr. Speaker, that the estate tax will work to discourage individual initiative and saving, at least in the lower strata of those who will be paying the state taxes. Consider the man of 50, either a small businessman or farmer, who has been moderately successful. He sees an opportunity to expand but realizes that perhaps he should decide that the accumulation of wealth is not worth the worry, the saving and the reducing of his standard of living so that he may expand his business. So he remains at his present economic level, takes a trip to Hawaii or does some other spending in a consumptive way. Yet in the 50-70 age group are often found many of the best managers in our economy. We are the poorer if these entrepreneurs suddenly decide that work, worry and striving only bring trouble with the income tax department or with estate tax in the event of his death. I believe we cannot stress too strongly that the individual entrepreneur is a very important part of our financial picture and contributes greatly to our economic efficiency as a society. The estate tax in its present form is retrogressive.

It is well known that there is another aspect of this tax that is not quite realized. It is an expensive tax to collect from the government's point of view and it is costly to the estate to present its case. In many smaller estates where the tax revenue is small the cost of collecting is greater than the tax received by the treasury. To present its side of the case the estate in turn has to hire expensive accountants, lawyers, etc., all of whom must be paid. This further reduces the value of the estate and is eventually a loss to the whole community and country.

• (3:40 p.m.)

It is a tax where there are many grey areas, where inspectors far removed from the scene of the estate often over value. Indeed, it is very difficult to evaluate much property in small communities where real estate may sell very infrequently and land values may vary by 50 per cent in a year, or in a mile. The estate tax often attempts to tax goodwill in a business when it is advantageous to the tax department. But the breakdown value may be much less and the heirs to the estate may choose to cease business or, if possible, sell the business. To sell to another Canadian only increases his estate problems on his death, and the logical choice is to sell to foreign capital, usually American.

I do not believe it is by accident that the three prairie provinces are the ones that are in the process of rebating the federal portion

of the estate tax revenues. The prairies do not want to accept any measure which might slow their resource development. They have no basic concern about the origins of capital that will pour into those provinces for the development of petroleum, mineral and other resources. The economic nationalism to be found in the east is foreign to the prairies. The contrast between the free trading west and the protectionist east is as old as confederation itself. It has been lessened somewhat by the tariff reductions since the end of the war, but much difference of thought lies between those who live by the exploitation of resources and those who manufacture.

We must consider this tax in our federal approach to the constitutional issue. The economic forces in Canada tend to divide rather than unite. In its approach to the estate tax the federal government is pursuing a policy that is basically not in keeping with the aims and aspirations of the western provinces and the fundamental pull of the economic forces under which they operate.

This bill is largely a reform of the existing estate tax law. It is too bad that in his wisdom the minister did not increase the exemption in line with the rapid rise of inflation to a position where the application of estate taxes would have some relation in real money to what the levels were 15 or 20 years ago. It is my contention that the tax starts too low and is graduated too steeply. I would hope the minister would consider this and make the appropriate changes in the bill before it is finally passed.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, we are engaged in a discussion about two of the most sombre facts of existence—death and taxes. Such a discussion is sombre enough in itself but this one has been rendered all the more difficult, and I might even say more horrendous, by the vast degree of exaggeration and misrepresentation which have characterized discussion of the government's proposal. One would think from the remarks we have heard this afternoon that even the beneficient parts of the proposal would be opposed by members of the opposition parties. For example, the hon. member for Lisgar (Mr. Muir) can only be said to have damned with faint praise the proposal that bequests and gifts to widows be exempt, and I would like to see how he and his colleagues will vote on that.

We suggest that the changes which are proposed by the bill are in the national interest and will not bear heavily on any significant section of the Canadian economy. I speak on this bill as one who represents a constituency which can be said to be approximately 50 per cent rural and 50 per cent urban. There is no question in my mind that the urban dwellers in Canada approve wholeheartedly the changes which are proposed.

We live in a society which all of us like to believe can be described as one where a large degree of equality of opportunity prevails. We live in a society where all of us would like to believe that it is the worth of the individual, his effort and his own competence which will lead him to success in life. We live in a society where most people like to believe that a man is judged by what he is, not who he is, not whose son he is.

When I hear some of the comments that are made by hon. members opposite I wonder whether they are opposing this bill or are opposing estate taxes and succession duties as such. This is not at all clear from many things that have been said. I do not think that the people of this country require public men to apologize for the fact that taxes are levied on estates. The time has long since gone when this was a discussible or debatable proposition.

Certainly there is no strong determining mood in this country to confiscate wealth or to confiscate estates, but I think it is the feeling of the great majority of Canadians that we should not live in a society where large blocks of inherited wealth are passed on from generation to generation to the detriment of many people who are not in the fortunate position of sharing in that inherited wealth, and none of us who support this bill, nor public men who through the years have supported estate taxes and succession duties, need apologize for the position that has been taken.

The essential parts of the present proposal have been described many times in this chamber. On the one hand, the government has proposed that bequests and gifts of all kinds to wives and, indeed, to husbands should be tax exempt and, on the other hand, the government has proposed that to make good the loss of revenue that has occurred there be adjustments elsewhere in the tax structure.

It is significant for all of us here to realize that we are not the only country which is giving consideration to changes in tax policy. For example, as we all know there has recently been a change in the administration

in the United States. Last week it was announced in the New York *Times* that serious thought is being given by the treasury department in the United States to the adoption of the very types of proposals which have been made to us in this parliament, that gifts and bequests to wives be exempted from taxation and that as a countervailing measure there be a stiffer rate of tax on gifts *inter vivos* and a higher rate throughout the estate tax structure. Incidentally, with reference to a table produced, I think, by the hon. member for Dauphin (Mr. Ritchie) or perhaps it was the hon. member for Lisgar, that there is very little difference in the incidence of estate tax in the United States and in Canada in percentage terms, and it would be very hard for anybody to say that the American economy is stagnant and has been made so by estate taxes.

I think I am not unique in this chamber in having participated in a large number of discussions with my constituents about the incidence of the new estate tax. As I said a moment ago, there is no question that the changes have been widely accepted in the urban part of my constituency where the predominant interest is that of the public service, but because of the exaggerated and inflammatory discussion about the consequences of this tax which appeared in certain farm newspapers I found to my very great surprise that some farmers in my constituency had become inordinately alarmed about what would happen if this tax measure were passed. I thought it might be of some interest to hon. members if I were to relate some of the things I have said to my constituents which bear upon the concern expressed in rural Canada about the incidence and implications of this tax.

• (3:50 p.m.)

One thing which struck me immediately was that many farmers spoke as if this was the first time estate taxes or succession duties had been applied in this country. As we know, of course, this is not so. I cannot speak for all the provinces but in the province of Ontario succession duties or inheritance taxes have been collected by the provincial government since 1892. Everybody here knows that the dominant interest of government in the estate tax or succession duty field has been provincial. It was not until 1941 that the federal government entered the succession duty and estate tax field. This was done at that time as part of a series of wartime tax agreements under which the provinces in effect rented certain of their taxing jurisdiction to the federal government.

In the discussion which has taken place on this measure it has frequently been said by spokesmen on this side of the house that the provincial interest in estate taxes remains predominant. In the province of Ontario approximately 75 per cent of the taxes paid on death go to the provincial government and only 25 per cent go to the federal government. This is a fact which seems to be greatly overlooked by many critics, particularly critics on the other side of the house who I think might support the present provincial government.

I have before me a table I have prepared showing the comparative incidence of Ontario succession duties, the present estate tax and the proposed estate tax. It is based upon what, from the standpoint of the new estate tax, is the most difficult assumption, namely, a father leaving the whole of his estate to only one adult son. This corresponds with the case put by so many farmers that they intend in one way or another to pass the whole of their estate to one son so that the farm can be carried on in the farm family.

If the estate is valued at $50,000 no Ontario succession duty tax is paid, no tax is payable under the present estate tax and no tax is payable under the proposed estate tax. If the estate is valued at $100,000 the Ontario succession duty amounts to $7,910, the present estate tax amounts to $5,100 and the proposed estate tax amounts to $6,600. If the estate is valued at $150,000 the Ontario succession duty would amount to $13,950, the present estate tax would amount to $10,700 and the proposed estate tax would amount to $13,350. If the estate is valued at $200,000 the Ontario succession duty would take 20,348, the present estate tax would take $16,800 and the proposed estate tax would take $21,600.

These figures lead all of us to certain important conclusions. The first is that many farmers in this province obviously are unaware of the nature of their estate tax liability. It is clear that many people with whom I have spoken personally were completely unaware of the fact that for estates up to $100,000 under the present and proposed estate tax more money would be taken by the Ontario succession duty than by the federal estate tax.

Another thing which I found extraordinary, and which we all must recognize as a fact, is that many farmers in my constituency, and I

have no doubt elsewhere in the country, were completely unaware of the total level of their liability for their estate. Let me, for example, quote again the incidence of tax on an estate of $100,000. The Ontario succession duty would amount to $7,900, the present estate tax would amount to $5,100, and the net tax would be $13,000. Under the proposed estate tax it would be increased by $1,500.

Many people with whom I spoke felt that for the first time they were to be taxed under this proposal when in fact they were already taxed at a high level and the added tax is relatively small. The discussion on this matter in the province of Ontario has been complicated by the fact that many people have been unaware of the present provision in the federal Estate Tax Act which is being carried forward that a tax credit of 50 per cent is given to the taxpayer in recognition of the fact that he has to pay Ontario succession duty. I, and I am sure other hon. members, have seen Ontario publications which have recited what was alleged to be the tax payable under this proposal in this province but which have failed to take into account the fact that the tax is reduced by 50 per cent by reason of the fact that Ontario succession duty is payable.

I should say that the figures I have quoted are net figures making allowance for the 50 per cent tax credit. I have found that the initial concern of farmers in my constituency, and I believe in eastern Ontario, about the proposed tax changes has been to an almost complete extent allayed and removed as a result of further study and consideration. The attempt which some people have made, whether intentionally or not—someone has said intentionally; I hope that is not so but it could be—to portray this tax as if it were a new imposition completely different in kind and character from anything farmers or businessmen have ever experienced before has been dissipated, I think, by the knowledge which has come from greater study of this measure.

• (4:00 p.m.)

It is my belief that no farmer who in any way could be described as an average farmer in this province is put in a perilous position by the tax change. It is my considered opinion that this tax will not have any of the horrendous effects which have been ascribed to it. The headlines which have appeared in farm newspapers to the effect that the new estate tax will doom the family farm are simply untrue and cannot be substantiated by the facts. In fact, I would go so far as to say that the making of this change in estate tax law will produce an unintended benefit for many farmers and businessmen.

I repeat again that a large number of people were simply unaware of the fact that they were exposed to a very substantial degree of taxation under the existing law. They now realize what their existing tax liabilities were, and many of them for the first time are turning their attention to ways and means of reorganizing their affairs in order to lessen the incidence and burden of taxation. I need not tell hon. members that there are many ways in which farmers in particular can reorganize their farm business to their own advantage and in such a fashion as to lessen the incidence of taxation. I say in answer to those concerned about the incidence of estate tax that this change to a considerable extent will be beneficial to many farmers.

Although no one welcomes tax changes, it is easier to live with them when we can see, as we do here, that the main change will provide a beneficial relief to widows from the burden of estate tax. It is much easier then to take into account the upward adjustments in the tax structure elsewhere. Bearing in mind, as I have been trying to point out by these few remarks, that the upward adjustment in the tax structure applicable in this province is not likely to create any appreciable extra tax liability, I suggest that this measure should command our support and should be adopted.

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, it is not my intention to try to summarize in detail the proposals of the Minister of Finance (Mr. Benson) as embodied in these two bills, but I hope to be able to persuade him to consider the lack of encouragement or in fact the actual discouragement that these two bills will offer to the ambitious people whose efforts in connection with the general economic activity of Canada are most important.

I do not believe it is reasonable to compare the value of estates in this year of our Lord, 1969, with those that existed 15 or 20 years ago because there has been an increase in valuations which has been brought about to quite a large extent by the inflationary activities of which the present government and its predecessor in office have been guilty. I offer as proof of this statement the fact that within

the last few days the government, through the minister, has placed estimates before the house calling for expenditures of $11,500 million, an increase of almost 10 per cent over last year. Presumably the government has to make a choice between cutting expenditures and increasing taxes. It would appear that it has decided it is easier to increase taxes. I do not agree with this decision. The argument may have been advanced, and I do not say it was not advanced by the minister, that there should be a combination of both. I do not believe that the need for balanced budgets should come about as the result of increases in taxation.

The previous speaker laboured hard—no doubt as a lawyer he has had bad cases before and has tried to make good cases of them—to put across the idea that this is not a new tax. The thing he avoided telling the house was that it is an increase in taxation.

Mr. Benson: Oh, no.

Mr. Flemming: Yes, it is an increase in taxation. The minister will have an opportunity to speak in rebuttal. He may pick out isolated instances to prove his point, but this is not the case in respect of small estates.

Mr. Benson: It is over all.

Mr. Flemming: The minister is including estates up to $2 million, $3 million or $4 million, but how many of them are there in Canada? There is no use in the minister trying to pull the wool over my eyes because I have checked this point and I am confident that what I am saying is correct. If the minister intends to try to convince the people otherwise, that is something he will have to undertake in time.

There is one point on which I think the minister will agree. I refer to the need for dampening the forces of inflation, which calls for reductions in spending. Instead, the government has apparently initiated policies which have had the effect of pouring oil and fanning the fires of inflation to the complete frustration of the objective I have just suggested. The government has never ceased to add to the already overly large public service. A real tightening of the belt by anyone in a position to contribute to the success of a policy of restraint and restriction has apparently never been considered. At least, there have been no results. One has only to check his incoming mail to see this. Every day one receives a great number of calls for additions to the public services.

I do not suggest that public services should be reduced, but when there is need for additional public servants people could be transferred. Instead, we experience more and more spending such as the interior decoration at a cost of $100,000 per room about which we have heard. There is more and more disregard by the government of the taxpayers who will in the final analysis be asked to pay the shot. There is more and more indifference to the general danger of inflation than ever before. This government inherited, and apparently it intends to continue it, a policy of spend and spend and tax and tax with the hope that it will be elected and elected again. Perhaps this is not absolutely strange. It was put in operation in the country to the south a good many years ago. But I say to the house that it is still not a policy that leads to the general progress of any country.

• (4:10 p.m.)

The estate tax is divided so that 75 per cent goes to the provinces by various means. This continues to be government policy and it is recorded at page 1685 of *Hansard* in the minister's speech. I believe the total estimated revenue from this source is $200 million, of which the federal government will retain $50 million. I point out that this amount represents increased taxation for the purpose of making up the loss incurred by establishing total exemption of estates passing from husband to wife and vice-versa.

This brings one to consider another point. The previous speaker went to some length and took great care to try to convince us that this was a most desirable thing. I suggest there is room for argument here. I think this change in attitude deserves more thought than the minister and the government have apparently given it. In the case of a small business or a farm which suddenly becomes the responsibility of a wife owing to the death of her husband the wife suffers hardship in trying to manage the farm or business herself or to secure adequate help to conduct the business with a succession duty liability of up to 50 per cent of the value. I know that 50 per cent is applicable only to extreme cases and probably does not apply to many farms, but nevertheless this possibility exists. Here is a woman who at the death of her husband has no one to lean on unless she has a son or sons. There is a succession duty liability facing the property and it is only deferred for an uncertain period. Suppose she has sons who are faced with this financial

liability and responsibility. I ask the minister, how enthusiastic will such people be to take over the property and manage it, whether it be a farm or small business?

The minister has had a lot of experience in business and he knows that this happens. He must know it by virtue of his experience because even I know it with my limited experience. I will tell you what happens, Mr. Speaker. The widow sells the property or the business at a sacrifice price. So I take exception to the conclusion drawn by the previous speaker that this is a wonderful measure for the widow. I submit that she would be better off if her husband gave her a life income from the property and then at her death it went to her children. That would be much better.

Mr. Blair: Mr. Speaker, would my hon. friend permit a question? Is it not a fact that under the new arrangements a similar provision could be made to give the widow an income as opposed to capital?

Mr. Flemming: I believe there is a qualification that if this is incorporated in the will or if a new will is made this may be brought about, but it would not mean the full estate unless she gets the full estate.

In my opinion the great disadvantage of this measure will become apparent if that same widow is advised to sell her property to a competitor or to an outside interest that has no wish to continue the business as such and closes it down. I suggest to the minister that this will aggravate the unemployment problem and the maintaining of maximum employment at all times. I say it is an important consideration in the life of this or any country to have its citizens working hand in hand with the government to provide maximum employment. No one would disagree with that.

In the morning's issue of the Montreal *Gazette* we read the following headline: "Regional Disparity To Be All-out Focus Of Incentives Act". In my opinion the very use of the word "incentives" means that the government is conscious of the need for soliciting at all times the utmost co-operation from the business sector in the country. The article mentions the minister, and it also contains the following statement:

> Under this system, federal and provincial governments would agree on one or more towns in an underdeveloped area and provide incentive programs to encourage industrial growth there.

[Mr. Flemming.]

Again I draw the minister's attention to the use of the word "incentive". I do not think that any free society or any country or government can get along nearly as well without the utmost co-operation of business and all concerned as they can with it, and I would like to think that this is the attitude and the opinion of the government and the minister.

We find that the Minister of Forestry and Rural Development (Mr. Marchand) will introduce new incentives, but at the same time the Minister of Finance (Mr. Benson) in the bill now under discussion lessens and in some cases eliminates old incentives. So one minister will bring them in and another will take them out. This government giveth and taketh away, almost in one breath.

Last week a federal-provincial conference was held and was broadcast throughout Canada. I was able to watch and listen owing to special circumstances. I saw the Minister of Finance sitting in the front seat alongside the Prime Minister (Mr. Trudeau), and I know that he is familiar with what took place on the day that I will mention now. I was impressed with many aspects of the conference, but I do not mind saying what particularly aroused my interest. It was the tenacious insistence by the premier of Manitoba on the interest of the taxpayer and on a discussion the following morning of the taxation burdens imposed by all levels of government, federal, provincial and municipal, upon the taxpayer. This was complied with by the Prime Minister and the subject was discussed. My point is that of all the people attending the conference, with the exception of the premier of Ontario the premier of Manitoba was the only man who mentioned the following day that gentleman who in my judgment is the forgotten man—the taxpayer. I remember his words. He said: said:

> Let us examine the effects of all taxation upon the man who pays, no matter what level of government imposes the tax.

That is what was done, and this is what impressed me. In my opinion, in this legislation the federal government is completely ignoring its effect upon the taxpayer. It appears that I was not the only one impressed. I was interested to read an article in the *Globe and Mail* of February 12 written by Mr. Scott Young in which he went to great pains to elaborate on the number of congratulatory messages which had been received by the premier. There were 45. One

of these, apparently received through a secretary from an admirer in Chatham, Ontario, read:

● (4:20 p.m.)

We watched your premier on television. We're 100 per cent behind him. He is being firm and strong for the benefit of Canada, especially on the taxes deal.

So I was not the only one to be impressed by the premier of Manitoba.

Let us consider the response so far as the premier of Ontario is concerned. First of all, he said that medicare was a fraud. Right?

Mr. Benson: How did you vote?

Mr. Flemming: The minister asked how I voted. Possibly it is a good question. I voted for the principle but I did not vote to apply it when we have a $750 million deficit brought about by the actions of this government. We voted for the principle of the bill but we did not vote for its application without knowing where the money is coming from.

I have had experience on both sides of the house. The opposition does not govern. If we were governing I could give some of the answers. As things stand, people do not vote against the principle of doing something, but they do not agree with everything the government does to bring it about, at any unsuitable time, without money—

Mr. Benson: You voted on every clause, including the date.

Mr. Flemming: I do not blame the minister for trying to wriggle out, because I think he should try to do so.

The premier of Ontario described the medicare measure as being Machiavellian. I should like to read to the house the meaning of that word as given by the *Globe and Mail* in its report of the conference that day, because I think it will be of interest to the government and to the Minister of Finance in particular. It says:

Niccolo Machiavelli, who died in 1527, was a Florentine statesman and author of a treatise on politics known as The Prince. The aim of his book was to show that rulers may resort to any treachery and artifice to uphold their arbitrary powers. Although there has been some controversy over the interpretation of his works, his name is frequently used as an epithet or synonym for an unscrupulous politician and the term Machiavellian to describe political cunning and diplomatic intrigue.

Nobody interrupted or contradicted the premier of Ontario when he applied that label to the introduction of the medicare bill.

Mr. Benson: I did.

Mr. Flemming: The minister says he did and I certainly take his word for it, though I did not hear him. I did hear him say that Ontario members had voted for it.

Mr. Benson: That is right.

Mr. Flemming: And the chances are they will answer for it; they will not be here in the next parliament.

Mr. Benson: It is you who will not be here.

Mr. Flemming: I would be glad to have the minister come down and run in New Brunswick if that is the way he feels about it.

Mr. Baldwin: He will have too much trouble in his own riding next time.

Mr. Flemming: He will not be here.

This government is, without question, the greatest government for irresponsibility that the country has ever seen. In June of 1966 the 10 per cent tax reduction they had allowed was reimposed. Early in January, after they had been defeated in the house, they wiggled around and got a 3 per cent tax put on. The government had been defeated on the 5 per cent proposal. Then they put on the 3 per cent tax. Now they are putting on a 2 per cent tax. It will be confirmed; there is no question about that.

Let me remind the minister that the 2 per cent tax imposes a great burden on many people. I have particularly in mind families where the man and his wife are both working. It is quite within the realm of possibility that their combined income is $12,000 a year, upon which the 2 per cent tax would amount to some $20 a month. I assume the minister has received letters to the effect that these people do not know how the extra money will be raised, taking into account all their expenses and so on. They are making an extraordinary effort to balance their budgets and they do not know where the money for this tax will come from. But the 2 per cent has been imposed, and apparently the provinces do not like it.

So far as the federal-provincial conference is concerned, I shall conclude by expressing the hope that the committees which have been set up can agree on worth-while recommendations to be presented to the next meeting. I hope something may be done about the prevention and eventual elimination of duplication of activity as between federal and

provincial governments. There is a lot of duplication at present; there is no doubt about that. There are places where co-operative activity is a logical course. Since the provinces are anxious to co-operate with the federal government I think they should be encouraged in this regard.

I am one who believes quite firmly that no country can operate without a strong central government. We in this great country of Canada must have a strong central government. I would just as soon not have the government which is sitting opposite at the present time, but I still believe that a strong central government is a necessity.

I have talked about the 2 per cent surtax. I have talked a little about indirect taxation which is really a spur to inflation. Before the minister concludes this debate I think he should tell the house what he proposes to do about the high cost of living, because that is really the product of inflation. Is the government taking steps to stimulate economic expansion? Is it taking steps to increase productivity? These are questions which I direct to the minister. I am not asking for the views of hon. members behind me to my right. Inflation is a deadly and disastrous thing. It creates a vicious, never-ending circle of higher prices and higher living costs unless kept within due bounds. Under no circumstances should increases in price ever exceed increases in productivity. It should be the aim of governments, unless there is a special economic situation existing such as excessive unemployment, to maintain the purchasing power of the people.

I intend to read an editorial along these lines which appeared in the Toronto *Telegram* of January 25. It reads in part as follows:

As taxes and inflation soar, as the Ottawa government piles cost on cost in its annual operations, Canadians pursue a massive indifference.

If we think Benson and company will stop at a social development tax, take a look at his quiet but incisive inroads into tax recommendations of the Carter report.

Farther down in the same column the article states:

Business Week, in an otherwise buoyant report on the Canadian economy in 1969, offered the staggering information that Canadians earning middle management salaries, that is in the $10,000 to $25,000 bracket, are taxed at a 25 per cent greater rate in Canada than in the United States. Here as in the U.S., many of these income earners are men on their way up, moving into higher incomes.

[Mr. Flemming.]

• (4:30 p.m.)

In the second column, under the heading "Hoodwinked" appears this statement:

The fact is we have been hoodwinked by successive finance ministers for a very long time and we have let ourselves believe they have performed well on our behalf. In late February, 1968, only a year ago, former Finance Minister Mitchell Sharp said this: "We are going to have to cut back or cut out a number of things we have been doing . . . this government is determined to keep its own finances in order—"

I do not have the same opinion of the previous finance minister as his former colleague, Miss LaMarsh; I have a high opinion of him. However, he was not successful in what he wanted to do. I am one of those who believe that he did make an effort. I am not saying that the present Minister of Finance has not made an effort, but neither minister has been very successful. They were unable to persuade the free spenders and people who were irresponsible—some of our friends here are probably good examples—and as a result they were voted down. The article continues:

In simplified form, Friedman says that fiscal and monetary policies, the chief weapons against recession and inflation, have been consistently misused. Too much emphasis is placed on changes in taxes and federal spending by North American governments, local as well as federal. The tool to be emphasized is not the hammer blow of more taxes, but the increase in the money supply.

People do not ordinarily vote for something they do not agree with. I do not say that an excessive increase in the money supply should always be avoided but it should be approached very carefully. I am convinced that the Minister of Finance agrees with me.

My last quotation in this series is taken from the *Globe and Mail* for January 30. Under the heading "Viewpoint" there is a report by Mr. I. H. Asper, a Winnipeg lawyer.

Mr. Benson: Yes, I am aware of him.

Mr. Flemming: No doubt the minister's recollection of him is favourable. The article says:

The finance department disputes the suggestion that estate taxes are a larger factor in the break-up of family businesses and in foreign takeover of Canadian industry. Mr. Benson argues that he has evidence to the contrary.

If such evidence is available it should be made public in order to end this protracted debate. Such evidence apparently was not available to the late Grant Glassco when in the 1956 royal commission on Canada's economic prospects he reported that several factors "including our succession duty system, tend positively to discourage ownership of companies by Canadians."

I wonder what the minister thinks of that statement.

> Mr. Glassco also warned that "concern as to the amount of succession duty and fear of inability to obtain these funds . . . has been one of the major factors in the transfer of ownership of many Canadian private businesses to foreign control."

That is exactly what I have been saying in these remarks. The widow who is left with a small business and no one to manage it has no recourse but to sell it. Although I know my plea will be unsuccessful, I suggest to the minister that this cloud is not entirely silver-lined, that there are some aspects of the matter he should take a second look at. The article goes on:

> Perhaps Mr. Glassco was in error, but it must be more than coincidental that the same conclusion was reached in a 1968 study by the Ontario Economic Council after the researchers actually interviewed the people who had sold their businesses to foreigners.

I now return to my argument relative to the principle of an increase in the estate tax. Having denied that there is anything wrong with the act I should like to congratulate the minister for persuading the government to change the statutory exemption of $20,000 to $50,000. However, I do not consider this figure high enough. In view of the large dose of inflation we have received since this government assumed office, and perhaps even before that, I believe the figure should be raised to at least $75,000. With the old ceiling of $60,000 this would represent an increase of 25 per cent. I submit that the value of small estates has risen much more than that.

I recall to mind one gentleman in my own business who operates five trailer trucks and hauls lumber to the United States for my company. Each one of these machines costs over $50,000. If you were to ask this man whether he is liable to succession duty, he would reply: "Oh, no, I don't have that kind of money". But his widow would soon find out whether he is liable to succession duty.

Mr. Crouse: His trucks would go.

Mr. Flemming: Yes, she would not know what to do with them. However, my point is that all is not sunshine or a bed of roses in this provision in regard to total exemption on gifts from husband to wife. I am not going to worry about the case of the widower, but certainly it is not all sunshine for the widow.

I regret any increase in tax—and may I tell the member who spoke before me that this is what it is—because it is an attack upon the spirit of thrift, upon the desire on the part of some Canadians, I hope many, to accumulate an estate. Surely the accumulation of an estate is the right of any member of a free society, and for a great variety of reasons it may be most necessary to pass on one's heritage to one's family.

May I draw to your attention, Mr. Speaker, that no one tries to accumulate an estate for his own use. One builds an estate so that those who come after will have some assurance of future development. In addition, employment opportunities may be created. I know of many sons who developed their fathers' businesses and enlarged them ten times because these businesses were given to them on the death of the fathers. The establishment of an estate means that the sons and daughters may start out in life with the opportunity of receiving an education and the chance of establishing themselves.

It is the right of every citizen in a free nation to use his abilities, mental and physical, as a means to ensure to his dependants an opportunity to take a step up in the economic scale. Is there anything wrong with that? Will the minister and this government, in their frantic search for funds to continue a spending spree that is destroying the credit and economy of this country, deprive fellow Canadians of their right to pass on a reasonable portion of the accumulated wealth of their lifetimes, having paid income tax year after year, to members of their own families? Although the minister will say that he is not denying them this right, he is nevertheless increasing taxes and this is what I object to. This tax should not be increased because too many people are affected. Too many people will be discouraged by the increase. The government should be encouraging these people and assisting them. I should like to hear the minister's answer to this question before he closes this debate. If the answer is in the affirmative, then we have no choice but to face the facts.

• (4:40 p.m.)

I wonder whether the government introduces measures of this type purely because of economic considerations; or do ideological considerations influence it in introducing them?

Mr. Baldwin: This is the thin end of the wedge.

Mr. Flemming: I am against this legislation because it penalizes thrift at a time when the

indirect tax of government created inflation has eaten into fixed incomes and because it will remove the incentive to save. Certainly there is a case for reducing estate tax rates in a country where taxation is becoming the highest in the free world. The government has not made out a case for increasing the tax rate, and I ask the minister to consider increasing the exemption level to $75,000. Unless action is taken the estate tax will hasten the liquidation of small businesses and farm properties. That fact is clearly set out in studies prepared for the Ontario Economic Council, which has said:

> The most predominant reason (for sale) was the fact the business would have had to be sold to meet estate taxes and succession duties—

I acknowledge that the minister has improved this legislation by bringing in a provision permitting succession duties to be paid over six years. This may help some businesses to survive, but the majority will not survive notwithstanding that provision. You see, Mr. Speaker, the lady who inherits a business will not be able to manage it. You may think credit is scarce; I can tell you that staff capable of exercising management responsibilities is even scarcer. What will the woman who is left a small farm or business do? She has to meet death duties and other expenses. I am convinced that by virtue of his profession the minister has run across situations that come under this heading. On this subject he said on January 17, as reported in the *Globe and Mail*:

> The estate tax does place a burden on the transfer of family businesses between generations but I have satisfied myself that the burden is not undue.

With respect, I am satisfied that the minister is wrong in his conclusion. The estate tax is often the straw that tips the scale in favour of the sale of the business. The estate tax reduces the amount of money available for investment and penalizes enterprise. That is not to the government's advantage. The greatest contribution to inflation has been made by government spending which by stimulating inflation has reduced the purchasing power of the dollar by as much as 20 per cent in five years.

The minister has changed the floor below which estate tax will not be levied from $20,000 to $50,000. Otherwise the rates remain the same. I think I am correct in that statement. If I am not correct I hope the minister will correct me. The bill also contains new exemptions for children, which are welcome. A feature of the estate tax legislation is a provision

allowing for the valuation of estates by the minister. I do not know under what machinery estates will be valued; I presume that machinery has not changed.

We live in a democracy, Mr. Speaker, and our laws must take into account the rights of individuals. In framing laws legislators must make certain they do not transgress individual rights and do not abuse the concept of equity. The estate tax, as it is now proposed, is an abuse of that concept. Moreover, it is economically unsound and socially unwise. It is destructive of individual rights and abusive of our social structure.

In concluding may I say that I appreciate the attention the house has been willing to give me. I ask the minister to give all the attention to my remarks that he thinks they deserve.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to speak in this debate chiefly because a flood of correspondence has come to me from the people of my riding complaining about and opposing the changes in the estate tax introduced by the Minister of Finance (Mr. Benson).

Notwithstanding the suggestions of hon. members opposite, I wish to make it abundantly clear that I am not opposed to taxing accumulations of great wealth, but I do not want to see small economic units such as small farms and small businesses taxed out of existence. Small farms and businesses are the backbone of this nation and of the rural area I have the honour to represent.

Some hon. Members: Hear, hear.

Mr. Knowles (Norfolk-Haldimand): Our small farms and businesses provide an income for many persons. The owners of small businesses have an incentive to work hard and prosper.

Actually, the new estate tax proposals were contained in the October budget speech of the Minister of Finance. I well recall that night and the thunder of applause which swept this chamber as the minister announced that estates could pass from husband to wife without taxation. Although the estate tax amendments were mentioned in the speech the public did not become aware of the proposals until a number of months had elapsed. It takes time for public opinion to become aroused. The full impact of the proposals took some time to reach the public, and they caused a great deal of anxiety and grief. The confusion following the introduction of this

legislation is exemplified by the fact that lawyers could not advise their clients on how to draw wills in a way most advantageous to them. The best advice any lawyer could give a client was, "Do not die before the new proposals become law."

As I said, it takes time for the public to become aware of proposals put before this house. It took time for public opinion to make itself felt with respect to proposed rule 16A. If public opinion had not been aroused, that rule undoubtedly would have been incorporated in the Standing Orders of the house. It was an aroused public opinion that made the minister change the proposed legislation. Although the changes do not go far enough and are minor, they are heartily welcome.

I represent a tobacco growing area in Ontario. To indicate how vigorously some of my constituents have protested the new legislation may I be permitted to read some correspondence I received from small businessmen and farmers in my area. May I first read a letter dated January 27. The writer is a tobacco farmer.

• (4:50 p.m.)

The tobacco farm industry in our area was developed by all members of the family working long hours with no pay to establish a living. These are small businesses in which sons and daughters contributed, in many cases without pay,—

The new proposed estate tax law would mean many of these farms would have to be sold to obtain money to pay the estate tax. There are no liquid assets available, only land, equipment and buildings, and each year 90 per cent of the farmers borrow money from banks to finance the high cost of producing the crop. This is a risk crop in which hail or frost can wipe out your earnings for that year and affect your financial position for future or present commitments.

Forced farm sales to raise cash means low prices because most of the farms sell here on low cash down payments with one-quarter crop payments to pay off the balance over many years. For example a $200,000 farm—

You may think this is an exaggeration but it is not.

—$10,000 down and one-quarter crop payments until balance is paid off. Farms do not sell for $200,000 cash. The one-quarter crop payment works well since in years of loss by hail or frost the owner has only to pay off one-quarter of whatever he sells in that crop year. The new proposed estate tax would put the family farm out of business.

The question is asked, how can he sell the farm to raise the $40,000 cash, plus or minus, required to pay the estate tax and still provide for the other terms in the will? Another question asked is:

What does a son or sons now do for a living after the farm has been sold?

Their means of livelihood is gone. This is the vocation for which they are trained.

Add previous estate planning and amount of labour by sons in farm now dissolved, what steps to take, to insure retaining the farm in the family and providing a living—

He concludes by saying:

Please note income tax has been paid over the years on income from the business. It would be much better to pay a higher rate of income tax each year rather than a large lump sum payment which could wipe out the business as suggested by the new estate tax law.

If I may infringe upon the time of the house, Mr. Speaker, I would like to read the comments of a small businessman. My previous example was a farmer. I quote:

We, the people with a small business, founded in 1843—

That is when the business was founded.

—are frightened about having the hard work of three generations fold up. Under your proposed revision of the succession duties it would be necessary for our sons to forfeit the family business.

We now receive only a modest interest on money invested so that the increased succession duties would make it impossible for our sons to carry on. Fifty-four people employed by us who now pay income taxes would be unemployed.

There are many family businesses operating in the same manner. The letter goes on to say:

Woudn't you be killing the goose that lays the golden egg?

I will quote from one more letter. It shows the despair that fills the hearts and minds of many farmers in my area. It reads:

—at 48 years of age I find myself in a dilemma. When my father passes away I will have to purchase the farm I feel I have already helped pay for. The question I would like answered is this: Where does this leave my teenaged son, will he have to purchase this farm again from my estate? Do you suggest we just give up farming?

These are the feelings of some people in my area. It is these protests I wish to draw to the attention of the minister. Last Saturday a meeting was called by the directors of the Ontario Flue Cured Tobacco Growers Marketing Board for the farmers in the two adjoining townships. One hundred and fifty farmers from this small area attended this meeting on a bright, sunny afternoon. They were concerned about the problem of estate taxes. Of the 150 in attendance at the meeting 75 per cent were newcomers to Canada. They had come to Canada from various homelands in central Europe which had been taken over by the communists and turned into collective

farms. Perhaps it was exaggerated, but the feeling was that what these people had once lost in a revolution would again be lost through taxation.

Mr. Benson: That is nonsense.

Mr. Knowles (Norfolk-Haldimand): The result of the discussion at the meeting is that responsible representation is required in this house. I tried to allay their fears somewhat by pointing out that the minister was not really a bogeyman, and that there are ways and means by which estate planning would help ease the burden of estate taxes. The feeling of the farmers in that room was that the proposed estate tax was a negation of the free enterprise theory. They came to this country to earn their living. They do not want handouts from the government. A forced sale is not their idea of fair play in a country like Canada. They felt that an economic unit would be destroyed which would produce wealth for themselves and their sons. They felt there was a contradiction. On the one hand, the Department of Agriculture, through the Farm Credit Corporation, provides farm improvement loans so that farmers may borrow money to increase and enlarge their economic units.

The Acting Speaker (Mr. Béchard): Order.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty, pursuant to Standing Order 40, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Winnipeg North Centre (Mr. Knowles)—Health and Welfare—Manitoba—optometric and chiropractic services in medicare plan; the hon. member for Regina East (Mr. Burton)—Transport—discriminatory reductions in express association rates; the hon. member for Kootenay West (Mr. Harding)—Air Transport—Castlegar, B.C.—consultation before change in service.

It being five o'clock the house will now proceed to the consideration of private members' business as listed on todays' order paper, namely, public bills, private bills, notices of motions.

[Mr. Knowles (Norfolk-Haldimand).]

[*Translation*]

PUBLIC BILLS

NATIONAL CAPITAL

ESTABLISHMENT OF PLANNING BOARD

Mr. Lloyd Francis (Ottawa West) moved second reading and reference to the Standing Committee on regional development of Bill C-20, to establish a National Capital Region Planning Board.

He said: Mr. Speaker, I have the honour to introduce Bill C-20 entitled: "An Act to establish a National Capital Region Planning Board".

Last week, for instance, the future of Canada's provincial capital was settled at the federal-provincial conference. It was proposed to create a capital unequaled in the whole world, a capital made up of the twin cities of Ottawa and Hull, a bilingual capital, the capital of a federal state.

This bill is intended to establish for this region a planning board, which is under discussion at the present time and which has not been determined as yet. It is in the spirit of what the Prime Minister (Mr. Trudeau) said last week that I introduce this bill this afternoon.

• (5:00 p.m.)

[*English*]

Mr. Speaker, this afternoon I present a bill which is designed to call attention to something which is absolutely essential if we are going to build the kind of national capital we have in mind. Last week at the federal-provincial conference a tripartite committee was established of federal officials and provincial officials of Quebec and Ontario to carry forward a series of technical discussions.

Our Canadian national capital, such as it is apparently agreed we will create, will be one without parallel in any other part of the world. It will be a national capital with part in the province of Quebec, with its primary use of the French language, with its own educational institutions, with its own code of property and civil law, and part in the province of Ontario with a different code of property and civil law, with a different educational system and with the primary use of the English language. There is no question that the task of combining the cities of Ottawa and Hull into a functioning federal capital will be a great challenge to Canadians and

one which will be the subject of many discussions before it is completed.

I think it is particularly appropriate at this stage that we should have a debate in this place to concern ourselves with some of the absolutely fundamental things that must be decided before we can proceed to build the capital we all want to see. My bill this afternoon calls attention to only one aspect of the problem, that is, the creation of a planning board which will include part of the province of Quebec and part of the province of Ontario within the spirit with which there was general agreement at the federal-provincial conference.

The problems are very complex, Mr. Speaker, and I would like to outline some general features of them. First, there is the problem of resolving the conflicts over land use and traffic arteries. At this stage the province of Ontario has created a regional municipality of Ottawa-Carleton. This has brought a measure of rationalization to the Ontario side of this region which was long overdue. We certainly anticipate that on the Quebec side the 30-odd municipalities involved in the area which seems to be under discussion can be unified through some type of parallel legislation, and there is every evidence that this is under close examination by the Quebec authorities. Then the problem will be to bring together the planners of one side of the river and the planners of the other side of the river.

We are aware of the delicate constitutional problems and do not wish in any respect to minimize them, but surely the very first step must be to bring together in some kind of advisory board representatives of the province of Quebec, the province of Ontario, the federal government and the municipalities concerned. It will be essential, in my opinion, that there be an informal and advisory function at least in the beginning, no more than that, in order that the parties may get to know each other, in order that they can hire the necessary staff to serve the purposes they have in mind, in order to resolve some absolutely essential priorities.

I can think of the new bridges that certainly have to be built over the Ottawa River, but there has been a serious question in my mind whether a bridge for public transit purposes should not have a prior claim over a bridge designed to serve private automobiles. My colleague, the hon. member for Hull (Mr. Isabelle), who I hope will be speaking in this debate, certainly has some very interesting proposals in the field of public transportation, and I am sure these will be examined by the appropriate authorities in the near future.

But, Mr. Speaker, the task of bringing them together is only the first challenge. The second challenge is to somehow, in some kind of orderly way that makes sense, bring a degree of supervision over these functions and a co-ordination of them. This I hope will be the task of the National Capital Commission which was created by act of this parliament and which functions sometimes, I may say, with doubtful constitutional jurisdiction in the area which it considers its primary responsibility, that is, the planning of land use in the national capital region and, if I may say so, the constitutional problem with respect to property and civil rights makes its task not a very easy one. Somehow the role of the National Capital Commission has to be fitted into the planning authority that we propose to create. I am not at all sure that my proposal of 11 members, with the chairman from the N.C.C., five from Ontario and five from Quebec, is the precise answer. I offer it merely as a suggestion of the kind of formula that may be discussed and decided. The numbers might be varied, but I think it would be a useful principle if the chairman of such a planning board were a member of the National Capital Commission because the National Capital Commission is almost the sole agency in a position to look at the whole region in order to take the large view, in order to make the kind of suggestions that we hope will be observed by the municipalities and the provinces.

This is the season of the year when many things begin to stir in our very beautiful national capital region, a region which I think is one of the most beautiful in the world. It is going through the late stages of winter and very soon we will see the springtime. Problems debated in this house in previous years in springtime have followed a very regular and not particularly brilliant pattern.

I see my hon. friend, the hon. member for Skeena (Mr. Howard), in his seat on the other side of the house. For the last four or five years I have followed his springtime incursions into the pothole problem. He looks into his files and pulls out the problem of the condition of Ottawa streets and potholes, and usually he has a television presentation on this matter. Then there is the suggestion that members of this house could do a better job of running municipalities. That has very frequently been mentioned by hon. members

who have not had experience in running municipalities, at least according to their background as given in the Parliamentary Guide. May I suggest at this time that we try to rise a little bit above the location of the Union Station and the potholes.

Mr. Peters: It is pretty hard if you drive over the darn things.

Mr. Francis: We hear that record every spring. The hon. member should make a good record of it, bring it out every spring and let it run.

Mr. Peters: We have to go through this every year.

Mr. Francis: I think that the question of the planning of traffic arteries is one of the things that should go before a planning board and should have high priority. There is no question that the city of Ottawa needs a new road to the airport. We do not need any major examination or any consulting firm to tell us that something has to be done about this. It is very obvious. It is equally obvious that there are major problems on the Hull side of the river. The peak hour traffic problems in this whole area are very bad.

But we have to ask ourselves even more fundamental questions than these relatively simple ones. We have to ask ourselves what kind of community are we going to create? What is the role of public transportation in this community? What is the role of private transportation? What incentives are going to be provided to move people in the way that we want to move them, to create the densities in the core of the national capital region that some of the planners want to create? I ask hon. members, please do not give us this spring the usual tirade about how much better members of this house could run the city, and how bad the potholes are.

I suggest it is time that hon. members looked at the larger problem of the creation of a national capital region, at the problem of creating instruments for long-term planning, at the problem of federal and provincial cooperation, at the problem of creating the mood in which the spirit, shall I say, which seemed to exude from last week's federal-provincial conference in this area can be carried forward into something very much more concrete.

• (5:10 p.m.)

I hope hon. members will feel as I do that the first priority of the new federal capital that we are building will be the creation of a planning authority within the spirit of a bilingual national capital with two cities, two provinces, two languages, varying education laws and the rest of it. This is Canada; this is the capital we are apparently resolved to create. Let us build the very necessary instruments in order that it may be carried out.

Mr. Frank Howard (Skeena): Mr. Speaker, after listening to the almost poetic dissertation of the hon. member who sponsored this bill it is somewhat awkward to have to refer to some factual situations. All this bill does is prove the old adage that you cannot tell a book by its cover, because while the title of the bill sounds fine and is well phrased, and while the introductory remarks of the sponsor were nice to listen to, it really would not matter one bit whether we passed the bill because it would not accomplish anything. There is no power in the bill; there is no authority to do anything. No money is to be authorized and there would be no opportunity for whoever happens to be on this board to do anything except exist.

I must give credit to my colleague the hon. member for Winnipeg North Centre (Mr. Knowles) because there is something in the bill he has pointed out which I would not have noticed. Even the construction of clause 1 is incorrect in a grammatical sense because it does not compare properly with the clause as it appears in the French language. Therefore there is an element of criticism even in regard to the draftsmanship of the bill. This does not worry me because the bill is worthless. It is fine to provide a vehicle by which the member who is the sponsor of the bill can say what should be done and might be done, but in terms of the fundamental essence of doing anything it is just a piece of paper. I am sure the hon. member realizes this. I am not objecting at all to his using this opportunity to say what he thinks should be done. I am just saying that the bill itself if it were put into effect would be meaningless. The hon. member knows this and in fact said so in the explanatory notes.

I was interested in the hon. member's reference to those, presumably including myself who have had no experience in respect of city councils and municipalities. I could not help but recall that the hon. member was a member of the board of control of the city of Ottawa at one time. Obviously he should have used the vast experience he gained in running or misrunning, whatever the case may be, municipalities in drafting his bill so that it

would make some sense, have some import and have some value and authority. This simply proves he is a great talker but not much of a doer when it comes to trying to do things.

Some hon. Members: Oh, oh.

An hon. Member: You don't like that.

Mr. Howard (Skeena): My friends may be able to dish it out but they cannot take it in return; that is fairly obvious. The sponsor of the bill said himself that the bill was designed simply to call attention to a problem. In other words, the bill is a vehicle by which to make a speech, but I do not disagree that he should use this opportunity because this in part is what parliament is all about. Inasmuch as he has no authority to do anything in a substantive way to deal with these matters, certainly he should take this opportunity. I simply point out that by his own designation the bill seeks to deal with only one aspect of the over-all problem, that is, a planning board. If the house were to pass the bill and it became the law of the nation even that one aspect would not be dealt with because the planning board which the hon. member conceives would not have any money with which to do anything. It would be a body that had no money or authority to engage in anything except the carrying on of conversation about something.

The hon. member spoke of our record of saying the same thing spring after spring after spring and year after year after year, but I regret to say, although the hon. gentleman really does not want me to say this, that our capital city gets worse year after year after year. There does not seem to be any sign of improvement. So far as I am concerned Ottawa is not just another municipality among the surrounding Ontario municipalities or the municipalities in the province of Quebec. The city of Ottawa and the surrounding municipalities are just as much my capital as they are the capital of the hon. member who sponsored the bill or those who live in the area. Ottawa is regarded as the capital city just as much by people who live in British Columbia as it is by those who live in this city and area.

But that is not the way the hon. member's friends and colleagues in city hall think about it. That is not the way certain controllers and city officials think about it. Every time in the past anyone has raised the subject of dealing with the national capital area in a manner other than that in which it is being dealt at the moment, who has raised the greatest obstacles, the greatest hue and cry? The opposition does not come from the members of Parliament who look upon Ottawa as their capital city. The opposition and the great fuss come from the petty politicians in the municipalities who do not want to see their power and authority interfered with.

The streets of Ottawa are bloody awful. This situation existed long before I became a member of parliament and long before many others were elected to the House of Commons. From reading old newspapers one can discover that it has existed for a long time. Whenever questions are raised about the potholes or anything else people like Controller Heit immediately get up on their horse and say, "Give us some money, we will fix it, but we do not want your interference". They want the people from British Columbia and elsewhere to give them tax money so they can pour it into their coffers, but they do not want to give us any overriding authority in respect of co-ordination or planning.

• (5:20 p.m.)

Back of the people in these municipalities to some extent are the authorities in the provinces of Ontario and Quebec. The Prime Minister (Mr. Trudeau) did a great disservice to the concept that the member who sponsored this bill talked about, that of developing a national capital region of which all the people of Canada could be proud. When the present Solicitor General (Mr. McIlraith), who is a member from the Ottawa area, was Minister of Public Works he spent a great deal of time and effort in dealing with the provincial governments of Quebec and Ontario and the municipalities in the area in an effort to reach an agreeable solution in respect of our national capital area. We all know how conciliatory, gentle and hard-working the Solicitor General was when he was charged with this responsibility. He almost brought his efforts to fruition, and we were on the verge of having something concrete. The Prime Minister, however, out of ignorance or for some other reason, perhaps not knowing what the then Minister of Public Works tried to do, shunted him from that position into the position of Solicitor General. All the work he had done and all the efforts he had made were pushed to one side.

We do not hear a whisper from the present Minister of Public Works (Mr. Laing), or

whoever is responsible for the National Capital Commission about what is or is not being done. After 10 or 12 years of talking in the House of Commons something might have been accomplished had the Solicitor General been allowed to continue his work toward the worth-while goal of establishing this area as the national capital, something other than just another municipality in the province of Ontario, in the province of Quebec or both.

We all feel proud of our national capital. The people of British Columbia and people in other parts of Canada would be pleased, I am sure to have part of the tax dollars they pay to the federal government used to develop this area into an aesthetic and beautiful national capital. I am sure they would be pleased to have this area developed into something far better than it is at the moment so far as its physical aspects are concerned.

The people in other parts of the country should be able to feel that this is the national capital rather than just a city in the province of Ontario like all other cities in terms of structure. They look upon the national capital as being something better than that and perhaps a place for which they could have an emotional attachment.

We had almost reached the stage of starting to create such an area and might be well on the road had the Solicitor General been left in his position as Minister of Public Works. Perhaps the Prime Minister did not know what was taking place, or perhaps he saw fit to remove him from the position of Minister of Public Works in order to have someone else there who would have to start off from scratch. For whatever reason, this is regrettable.

The potholes are bad in the city of Ottawa. The situation is allowed to continue without regard while we talk about it. The hon. member who sponsored the bill will just have to be content to listen to us talk about the situation. He knows the potholes are bad. Perhaps he knows it better than I because he lives in this area and probably travels more often over a greater number of the streets.

Mr. Peters: Maybe he thinks they are good.

Mr. Howard (Skeena): Perhaps he thinks they are good, but I think he was really putting up a front in the hope of getting some endorsation for his bill. If it had any real meaning or was designed to establish something concrete rather than simply being a vehicle for the making of a speech, as the hon. member did, perhaps he would receive some support. I do not see much point in endorsing a bill which appears to have no function other than to provide a mechanism whereby people can get up and make speeches.

We are not opposed to the bill, and if it comes to a vote I will not vote against it. I will not vote for it but I will let it pass. I think it is meaningless in the true sense and will not come to anything. If the hon. member's experience on city council was worth while and if the government considered his experience of some value, perhaps the member might have put his message across and the government might have introduced a bill containing full authorization and authority to move ahead in this direction. Without that support this is just another private member's bill which will likely have the same fate as other private members' bills.

It is fine to talk about some of the ideals about which we are all concerned, but in the meantime we are making no contribution and the potholes in the city of Ottawa are just as bad if not worse than they were last year. This is primarily so because the councillors sit in their seats at meetings unable to see beyond the boundaries of the municipalities and realize that this is the national capital of Canada.

Most people think in terms of this area as just another municipality in the province of Ontario. That is not good enough. It is too bad the hon. member is not back on the council in order that he might have some influence there because he does not appear to have a great deal with the government here.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, it would seem at least in theory that this bill, as much as all other public bills, is a logical piece of legislation.

However, if one analyses the present situation one realizes that this bill cannot be discussed in this house for the simple reason that such consideration appears to me to be unconstitutional in view of the fact that the area under discussion is part of the Quebec territory. We all know to what extent the Province of Quebec is now more than ever, jealous of its rights, privileges and prerogatives, and all the more so of its territory.

This is particularly true in the wake of experiences as disastrous for the Province of Quebec as that of Labrador, when following

the intervention of the federal government, Quebec lost one-third of its territory. Thus we are faced with the fact that, even though we could admit that it would be very nice to plan and organize a national capital area in this manner, we cannot proceed until the Province of Quebec has dealt with the situation and expressed its views. In other words, the matter cannot be discussed unless the position of Quebec is known.

• (5:30 p.m.)

I should also like to point out the situation that exists in Ottawa, the capital of Canada. The way French Canadians are treated in that unilingual city, capital of a bilingual country, has often being experienced. It would take too long at this point to enumerate all the frustrations of which the French Canadians in Ottawa have been the victims, as well as those from the outside who have visited their national capital. Suffice it to recall the statements of the former mayor, Miss Charlotte Whitton, which truly reflected the unilingualism of Ottawa. Instead of tackling the problems of the federal district, it would be better, in a country which claims to be bilingual, to show at least in the national capital a will to respect in fact the requirements of bilingualism.

The leader of the Ralliement Créditiste (Mr. Caouette) recalled an incident that occurred last fall in which a member of our party was involved and where once again, the unilingualism of the Ottawa police force was revealed. In fact, a French-speaking Canadian cannot do business effectively in his mother tongue in Ottawa.

I recognize that the federal government has made a real effort, with some results I must say, to improve the situation in all the territory and buildings which fall within its jurisdiction. But there is a real problem when it comes to the city as a whole. It seems to me we should forget about other projects until that absolutely abnormal, not to say paradoxical, situation has been corrected, of which Quebec is is well aware. Every Quebecer knows what the situation is really like in Ottawa.

On the other hand, Quebecers know full well that the city has been given considerable help, which was only logical since it is the capital. But they also know that the other shore of the river was neglected and that the central government developed the south shore of the Ottawa river to the detriment of Quebecers. Now, on studying the situation, one realizes that by introducing a bill dealing with planning, the construction of roads, the development of land and even the building of offices for the federal district, we are not tackling the real problem.

That is why I am coming back to my first argument. In theory at least, here is a bill in no way devoid of common sense and which it might be quite normal to pass in any country under normal conditions. However, we are all aware—and if not, just remember the federal-provincial conference which took place last week—of the very serious problems facing Canada. There are many things to settle before we tackle this particular point. Had this bill been introduced after Quebec had adopted a clear-cut position about its territory, and after the government of Ontario had done the same regarding the city of Ottawa and considering the mutual attitude of these province, we might have been in a better position to discuss such a bill.

I therefore oppose Bill No. C-20 and I hope my arguments will lead other hon. members to do the same.

Mr. Gaston Isabelle (Hull): Mr. Speaker, I am always glad to take the floor on matters pertaining to the national capital area, especially when the Quebec side is concerned.

I shall not assume the part of the devil's advocate and to criticize, as some previous speakers have done, the structure of government for the past few years.

Neither shall I shun the problem. Bilingualism is a current topic in the federal capital as well as other problems which I consider sometimes quite superficial. A good number of people in the national capital area, are French-speaking and I do agree with these who contend that the federal government has quite often ignored them, and that Quebec has always neglected this area of the Ottawa valley.

Some hon. Members: Hear, hear.

Mr. Isabelle: Recently a report was submitted which I qualified and which I still qualify as irresponsible. It is the Dorion report which simply advocates thieving, and, to my mind, any report that advocates thieving is an irresponsible one. It advocates that the lands of the National Capital Commission on the Quebec side be returned to the provincial government. We know, however, that before 1958, all the lands in the National Capital area were bought by private contract. Since 1958, only one per cent of all the lands of the National Capital Commission have

been expropriated according to the Expropriation Act which was enacted by parliament in 1958.

I understand my friend, the hon. member for Ottawa West (Mr. Francis) who did not want to introduce a bill whose application would reflect his whole attitude, but who just wanted to create a kind of incentive in order to arouse the people of the national capital area and to tell them: It is about time that you should consult each other and that the representatives of areas located a quarter of a mile away be invited to discuss the planning on the Ottawa side as well as on the Hull side so that this economic unit which nobody wanted to recognize, neither in Quebec nor anywhere else, be recognized.

This is why, today, when it is a question of building a bridge, on the Ontario side, a road is built that does not reach it, because the building of the bridge was not expected then and, on the Quebec side, a road is built which also does not reach the bridge. So, there are two roads that lead to the river, and the bridge is five miles below.

That is why my hon. friend from Ottawa West wishes to create a certain atmosphere that will make possible the establishment of a planning board. To me, the planning board is important. Some may say: The National Capital Commission is capable of planning under the law. That is right. However, when the general planning was done, nobody thought of consulting the municipalities concerned. A highway was built, expropriation of land took place often without consultation with the municipalities that were unable to do any planning.

It has been said that large sums of money were granted to Ottawa. That is true. The city of Hull got almost nothing. That is equally true. The Hull area is complaining because it did not get any money from the central government and Ottawa is complaining because although it was given money it did not have the opportunity to do any planning. They are no better off, one way or the other.

That is why we should seek a way of planning without changing the constitution for it may be taken as a fact that the Quebec territory will remain within the provincial jurisdiction of Quebec and that the Ontario territory will remain within the jurisdiction of that province.

However, this does not mean that because of the jurisdictions to which the territories

located on both sides of the river are subjected, we should let the people fend for themselves, as has been the case for so long. It is about time that we should wake up and find the means to come to an agreement so as to avoid discriminating between the citizens living on this side or that side of the river.

It is about time that we should find the means to solve the transportation problem within the national capital not by setting up two, four or six transportation companies but a single transportation company subsidized and administered by the federal government. It is the only government in the area which is able to do something. It is the only one which can bring something to fruition instead of letting the people in the hands of a second-rate company as can be found in the area.

It is about time that the federal government, because of the site of its main buildings, of its planning and of the number of people it employs in the federal capital, should take its responsibilities with regard to transportation. I advocated the establishment of a means of transportation. I do not suggest that it is the best solution; however, I think that it is a valid suggestion and that it should be taken into consideration in the framework of a system which would cover the whole area of the national capital.

The National Capital Commission has been mentioned by everyone. If the Commission had not carried out some works on one side of the river or the other, even though it consulted no one, I do not think the present situation on the Quebec side or on the Ontario side would prevail. At any rate the National Capital Commission has become an economic power. It administers an estate worth about $100 million, half of which has been acquired during the past five years.

• (5:40 p.m.)

In my opinion, we could look for some way of joining forces and doing some planning so that this land may become more profitable. It has been said that the city of Ottawa is badly managed and that this region is not like others. I do not know of any elected body which, if it does not give satisfactory service, is not replaced by another when election day comes around.

With regard to particular problems arising at particular times of the year, one has only to have worked for a city, as a mayor, a controller, an alderman, or what have you, to be well aware of the difficulties facing Canadian municipalities today, including Ottawa and Hull.

I wanted to say also that this region is not like any other. It is true. There is not other region in Canada where a provincial frontier borders on the national capital. The Hull area has however always been neglected by all.

Somebody mentioned a while ago that it is only since the Liberals took office in 1960 that it has been disregarded. The city, the region of Hull does not exist since 1960 only; it exists since 1854, and it has always been forgotten due to the good offices of the Quebec government which said: We cannot do anything in Hull because it is close to Ottawa. On the other hand, Ottawa said: We cannot do anything for Hull because it is not under our jurisdiction. The provincial government does not allow us to do anything.

Then, at the expense of the citizens, efforts were made to settle constitutional problems that are basically practical problems.

Can it be imagined that if one travels in the east-west direction, a single fare is required whereas a double fare must be paid for every trip in the north-south direction. Is that fair? However, that situation was never discussed at the level of the provincial governments. There never was any willingness to meet in order to discuss a problem, which could have restored equality among the population of the Ottawa-Hull area.

Further than that, let us talk about this famous sales tax. In fact, I hope the agreement between Quebec and Ontario will be challenged. People from Hull who come to Ottawa to buy goods must pay 13 per cent; that is 5 per cent when they pay by cheque at the store and 8 per cent when Quebec charges a special duty, as it is currently done. This practice brings in many thousands of dollars. Am I going to be deluded into believing that it is fair that people of that area be treated as second class citizens, within such an economic area as that of Ottawa-Hull? Let us think it over, let us ask ourselves whether or not the basic principle of the bill introduced by the hon. member for Ottawa West is valid.

What it advocates, I think, is a mere dialogue between the Quebec and the Ontario areas, so that they can both benefit of the economic advantage of their territory, rather than discriminate against the people.

I will be asked to give examples. When I see Quebec leaders taking part in a federal-provincial conference in Ottawa, a quarter of a mile from their own province, and stay in Ottawa hotels, nobody will make me believe that they are sincere. I will not be deluded into believing that it is fair to insist that the people of the Hull area be penalized when they purchase in Ottawa, when they come and sit in state in Ottawa as kings or princes. To use a popular expression, I am fed up with the situation these Canadian citizens have had to put up with for so many years.

Today, the leaders of Quebec, like Nero, are looking at the city and at the province from atop the provincial legislature building, and like Nero they are saying: "Burn, Rome, burn", or if we transpose: "Burn, Quebec, burn". As for me, I would say that first of all we are going to save the Hull area, and that by way of a referendum we are ready to approve all the means the federal government will see fit to provide us with in order to make of the Ottawa-Hull area a bicultural and bilingual entity and a single economical entity, which will ensure that everybody in the area gets the same treatment.

Some hon. Members: Hear, hear.

[*English*]

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, the bill which has been brought forward by the hon. member for Ottawa West (Mr. Francis) is a valuable means of rivetting the attention of this house and indeed the attention of the whole country upon the problems of the Ottawa area.

As one who came to Ottawa to live some 18 or 19 years ago, I believe that the discussions as to the relationship between the municipalities in this area and the federal government have not always been of a proper order, nor have they been carried on, in my opinion, in a proper manner. In my view there has been far too much recrimination, too much of one authority blaming the other, too much confusion and inaction resulting from conflicts between municipalities, provincial governments and the federal government. I say that the worse thing any of us could do in this chamber at the present time would be to perpetuate the nonsense implicit in this ancient manner of talking about our capital.

We are faced here with a problem of immense magnitude. In this area at the present time there are perhaps less than 400,000 people. It is estimated that some time after 1980 there will be over a million people in the area. Unless all the government agencies and other authorities concerned take the necessary steps to look ahead and plan for the future we shall indeed be faced with grave problems. Indeed, our capital may well develop in a way which is altogether different

from the needs and desires of the citizens. This is why I commend the hon. member for Ottawa West for initiating this discussion. We should be grateful to any hon. members of this house who bring forward matters relating to the future of this area for our consideration.

Mr. Howard (Skeena): Hear, hear.

Mr. Blair: I pause at this point, though perhaps I am entirely out of order—something which would not be exactly new in the history of this chamber—to comment on a remark made by the hon. member for Skeena (Mr. Howard) when he suggested that no one should make a proposal here unless it could immediately take practical effect.

Mr. Howard (Skeena): I said no such thing.

Mr. Blair: I noted while the hon. member was speaking that he has nine or ten bills of his own on the order paper. I wonder whether he would apply the same reasoning to them.

Mr. Howard (Skeena): Absolutely, but stick to the facts.

Mr. Blair: We must be prepared to consider a number of varying ideas as to how this capital area might be organized. In doing so, we cannot blind our eyes to the difficulties which exist, some of which were exemplified by the remarks of the hon. member for Champlain (Mr. Matte). There is inherently a great problem about organizing a viable structure for this capital region and planning its development when the necessary measures must embrace two provinces and countless municipalities on both sides of the provincial boundary. It is my belief that for the future we must proceed in an orderly way with certain specific objectives in mind. In my opinion we must collectively, all the governments concerned, take steps to avoid the conflict between jurisdictions that has been the curse of government in this area.

• (5:50 p.m.)

Up until now the federal government, though it is the largest property owner and has the largest stake in the development of this area, has not been able effectively to participate in the government of the area or in its planning. As some hon. members have pointed out, a very significant contribution has been made to planning in the national capital area by the National Capital Commission. But this has been accomplished by the Commission buying land and developing it as it thought best for the area.

Neither the federal government nor any of its agencies, such as the National Capital Commission, has had jurisdiction or authority to plan or to participate in the control of planning in this area. Many of us who are interested in this problem noted with feelings of shame and disgust the unedifying controversy over building heights in this city which arose three or four months ago. In my opinion, this is example No. 1 of the present unsatisfactory and conflicting planning authorities in the capital area. If that is not enough to convince the residents of this area and the government of Canada that something better has to be worked out, then I do not know where we can find a better example. I am hopeful that in the life of this parliament tremendous progress will be made in the development and planning of this capital area. First of all, I think it is proper for me to call the attention of hon. members to the important discussion that took place at the federal-provincial conference last week at which time the Prime Minister of Canada (Mr. Trudeau), speaking at the afternoon meeting on February 12, was able to report immense progress in the tripartite study being carried on by the provinces of Ontario and Quebec and the government of Canada. All participants in the conference agreed to a resolution which I think it is proper to record here:

1. The Constitutional Conference is agreed that the cities of Ottawa and Hull are the core of the Canadian capital area.

2. No changes be made to provincial boundaries or to the constitutional responsibilities of the governments concerned.

3. The boundaries of the Canadian capital area are to be established by agreement of the governments concerned.

4. In line with the aforementioned objectives, steps must be taken so that the two official languages and the cultural values common to all Canadians are recognized by all governments concerned in these two cities and in the capital region in general so that all Canadians may have a feeling of pride of and participation in and attachment to their capital.

5. That the Study Committee on the Canadian capital continue its work giving particular importance to the following:

(a) the definition of suburban areas which would eventually constitute, along with the cities of Ottawa and Hull, the Canadian capital regions;

(b) a study of the administration and the financing of the tripartite organization.

In my judgment, there lies the hope for the future; a determined, sincere and honest attempt by the three major governments

involved to evolve a mechanism for future government and planning.

In conclusion, might I suggest that we as members of this parliament should be able to play a significant part in the future discussions which should take place. I hope that in the life of this parliament the project that has been often mentioned of creating a joint committee of the other house and of this house to consider the national capital region and its many problems will materialize. I think there would be widespread support from all members for the creation of such a committee. It would, if nothing else, serve this nation well by informing everybody of the importance of the national capital area, of the interest that all Canadians have in it, and of the problems that will have to be solved if it is to develop in a way of which all Canadians approve.

May I call it six o'clock?

The Acting Speaker (Mr. Béchard): Order. The hour appointed for the consideration of private members' business having expired, I do now leave the chair to resume the same at eight p.m.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

GOVERNMENT ORDERS

INCOME TAX ACT AND ESTATE TAX ACT

The house resumed consideration of the motion of Mr. Benson that Bill C-165, to amend the Income Tax Act and the Estate Tax Act, be read the second time and referred to a committee of the whole, and the amendment thereto of Mr. Saltsman (p. 5191).

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, at five o'clock before the debate was adjourned I was talking about what a number of farmers had said at a meeting. They were very much opposed to the imposition of the new estate tax. I also spoke of contradictions inherent in government policy. On the one hand, through farm improvement loans and the Farm Credit Corporation, the government enables farmers and small businessmen to accumulate property and small businesses; on the other hand, through the medium of estate taxes, the government sees to it that small farms or businesses are dismantled or divided up.

As a result of pressure from members of the opposition, government backbenchers and public opinion, the minister changed the exemption level from $20,000 to $50,000, where it had previously been. We must, of course, give the Minister of Finance (Mr. Benson) credit for increasing the exemption level. Nevertheless, the impression the government seeks to leave is misleading. From my reading of the bill it appears that, in certain cases, the exemption level is still only $20,000. I believe my colleague has already dealt with this aspect of the problem.

About 10 or 15 years ago $50,000 was considered an appropriate floor for the exemption. Inflation, of course, has inflated farm values, and in our present inflated economy $50,000 is a totally inadequate and unrealistic exemption floor. I do not think any farmer or businessman objects to paying taxes on the increased value of his holdings, if the value of those holdings has been increased by his own efforts. When the value of those holdings is inflated and he has to pay tax on that inflated value, he has reason to complain.

A farmer in my constituency wrote these words, which I quote:

> I, and perhaps the majority of farmers, are still opposed to the new proposed tax, because I do not feel that a $50,000 exemption will be adequate in the very near future.
>
> I understand that by 1980 there will be only 35,000 farmers in operation. Therefore this would mean that the present owners, will have to increase in size, increasing their net worth by two or three times. This would make the proposed exemption very unnoticeable.

We also give the Minister of Finance full credit for allowing estate tax to be paid over six years. That provision will bring relief to some. Yet, it will still be difficult for widows and children inheriting small farms or businesses worth $200,000 or more to pay inheritance taxes.

In the bill there is what may be called a once in a lifetime exemption of $10,000 which applies to a son who inherits farm property and continues farming after his parents' death. That exemption will make it easier for the farmer to pass his farm to his son; it will make it easier for the family farm to survive. But, again, in today's inflated economy that exemption of $10,000 is far from adequate. I urge the minister to consider increasing that $10,000 to a more realistic figure, more in keeping with today's inflated economy.

Another tool which will assist our farmers and businessmen in estate planning is the measure providing for tax free gifts. Under the old legislation a father could pass on to a son $4,000 per year. Now, he can pass on only $2,000. We feel this is a step in the wrong direction, just as leaving the exemption floor at $50,000 and the exemption in the once in a lifetime gift provision at $10,000, are moves in the wrong direction. I submit that that $2,000 exemption ought to be increased to $6,000. By using the tools of estate planning, farmers will be able to pass to their sons parts of their property. Their sons will take an interest in the operation of the farm and will be imbued with a desire to make the enterprise succeed. I urge the Minister of Finance to re-examine the whole question of exemptions.

The one saving factor in this entire estate tax matter is that, if a farmer or small businessman uses the tools of estate planning he can gradually divest himself of his interest in the venture and pass it to his children. If he is deprived of the use of these tools, the small business or small farm will founder.

In conclusion, I wish to say this: In view of today's inflated economy, exemptions should be brought up to more realistic levels. Tools permitting the planning of estates ought to be made more useful. A farmer ought to be able to increase the size of gifts to his son because those gifts may take the form of property. The Minister of Finance ought to consider these matters before this bill becomes law. With proper estate planning, the small farm or small business could be enabled to survive.

I will conclude by reading from a letter from a constituent that expresses my sentiments. It reads in part:

> The point in question is this. Are you trying to penalize me for working and for trying to make myself and my family comfortable? Since when has initiative, ambition and drive become something to be frowned upon? I don't like work. No one likes work. But I like the better things in life and work makes this possible.
>
> If this proposed estate tax is passed in Parliament and if the present trend of taxation continues there will be no reason or hope for me to try to advance. When I find that I am spending more money than I have, I stop spending. I suggest that the government stretch the dollar rather than collect it... Although this letter contains my opinions it also represents the attitudes of any Southern Ontario farmer or small businessman—

• (8:10 p.m.)

These are the sentiments that I leave with this house and especially the Minister of Finance. I ask him to take a realistic look at the exemptions and figures which he has placed in the bill in the light of today's inflated values.

[Mr. Knowles (Norfolk-Haldimand).]

Mr. Norman A. Cafik (Ontario): I take great pleasure, Mr. Speaker, in addressing myself to this debate on the estate tax. There are a number of views I would like to put forward in the hope they may be of some value.

With respect to this tax, there has been a great deal of confusion in Canada, and there still is confusion here in the house as to the implications. Before suggesting any recommendations, I would like to spend a moment or two and elaborate upon the real meaning of this tax. When the proposals were originally put forward I must say frankly that I did not agree with them in total. At that time I felt that no estate under $50,000 should be taxed. Since that time many hon. members have suggested the exemption should be $100,000. However, I think they are wrong. I do not believe the average working man in Canada would accept a $100,000 exemption or minimum upon which taxes would be paid. Taxes not only have to be just, but they must appear to be just. I think many people in Canada would feel $100,000 would be far too high to give any pretence of justice.

The previous speaker suggested that taxing estates of $50,000 would be completely unrealistic. I would point out that if a man wishes to leave his farm to his children, $50,000 could be left to his wife as a gift which would not be taxable, and $50,000 could be left to his children which would not be taxable because of the floor in the taxation plan. In effect, such a farmer could leave $100,000 without any tax being paid, $50,000 tax free to his wife and $50,000 tax free to his children. In addition, there would be an exemption of $10,000 if left to one child. In that case $110,000 would be tax free. If the same principle were applied to an estate with a $100,000 minimum, no estate tax would be paid on estates far in excess of $100,000. I do not think that would be fair or just.

As a newcomer to this house, I feel that the changes put forward are very important. They show that parliament and democracy are really working. The people of Canada and hon. members from both sides of the house made recommendations. I think it is a great thing that some of these recommendations have been accepted. Another change is the right to a time payment plan. It is important that people be given the opportunity to pay

estate taxes over a period of time. The new legislation allows, as a matter of right, six years in which to make payment.

An hon. Member: Five years.

Mr. Cafik: I treat six equal instalments as six years.

An hon. Member: The law states it is five years.

Mr. Cafik: In view of the complexity of the estate tax, a period of time is allowed to choose whether exemptions will be claimed under the old or the new Estates Tax Act. The estates of persons who die between now and August 1, 1969, can claim whichever exemption is the most favourable. This is a step forward in settling some of the confusion which has arisen as a result of these estate tax changes.

I have a recommendation to suggest which I feel would be worth while, particularly in my riding of Ontario. This area is 50 per cent rural. It is very close to metropolitan Toronto. As a consequence, the value of land has increased very sharply in the last few years. Some of these farmers wish to continue farming and their children wish to continue farming. Under the present legislation, their farms would be assessed at real estate value rather than at farm value and there could be an excessive estate tax payable.

I suggest that the farm be assessed at both real estate and farm value. If the beneficiary of the estate guarantees that he or she intends to continue farming, then the estate tax should be payable at the farm value. If the farm is later sold the estate tax would become payable as originally assessed, at the real estate value plus interest. This would give farmers the right to continue farming in areas of great increases in values of land. I think this plan is workable. It may sound complicated from an administrative standpoint, but I do not believe this. At the time of the death and the assessment of the property, the government could put a lien on the property for the difference in estate tax payable as between farm and real estate values. This lien would be held until such time as the property is sold. Such a practice would be a step toward helping farmers in my particular area.

Looking at the new proposals in detail, I am impressed with the social implications of this new estate tax. It is a step in the right direction to recognize the principle that both a husband and wife contribute to the value of an estate and, consequently, not to tax the estate when left by a husband to a wife or vice versa. From a social standpoint this legislation is welcome.

Another point which is most important, is that this legislation bears in mind the amount of work which the estate has to do and then taxes accordingly. This is being done by allowing an exemption of $10,000 per adult child, plus an exemption for non-adult children of $1,000 per year between the ages of 1 and 26. Under this principle, a child is entitled to exemptions up to $35,000. In the past the exemption was $10,000, and in the case of a wholly dependent infirm child it was $15,000.

• (8:20 p.m.)

I think it is also important to recognize that this tax takes into consideration the dependency of an infirm child where the estate must take care of that child. In this case, the exemption can be a maximum of $70,000, whereas in the past it was only $15,000. This is a great step forward in social legislation.

What about the negative views that have been expressed? First of all, the argument has been put forward by some on the opposition side that a person has earned his money so there should be no tax on it whatsoever, and that, in particular, there should be no such thing as estate tax. I do not think that is a valid point. If we carried that practice through for a number of years we would end up with the wealth of the nation amassed in the hands of far too few people. Therefore, the principle of estate tax is valid. It is the details of the tax that we have to discuss.

Then there is the opposition view—I do not know if anyone here holds it—that in terms of estate tax we should confiscate all money left after a person dies. This view is also invalid. We have to find a happy medium whereby we can redistribute the wealth and at the same time recognize it is important that people have incentives to earn money and to save it. This kind of legislation recognizes the needs of both levels.

Let us look at the implications of the estate tax in practice. I think I pointed out earlier that many people seem to feel that estate tax is a new kind of tax in Canada. Estate tax was first introduced in 1892 in the province of Ontario and has existed there ever since. Estate tax on the federal level was introduced in 1941. Some people think that all estate taxes come to the federal government.

According to my information 75 per cent of the money raised in estate taxes goes to the provinces, with the remaining 25 per cent to the federal government. On an annual basis, the income to the federal government amounts to roughly $100 million. According to my information, it is not the intention through this legislation to increase the revenue of the federal government but simply to achieve some of the worthwhile social objectives of which I spoke earlier.

If estate tax were abolished and the same amount of revenue were to be raised from the same group who presently pay estate tax, roughly 5 per cent of those who die, it would require an increase in income tax of 15 per cent. On the other hand, if the federal government were to raise this $100 million by dividing the load equally among all tax payers it would mean the social development tax would be increased from 2 per cent to 3 per cent. I do not think there is any justification for either of those two approaches, and I believe that the approach in this legislation is the ideal one.

Mr. Woolliams: How is it all Grits think the same?

Mr. Cafik: I guess we are all smart. Now, turning to the chart outlining the amounts of tax payable, I find one category where an estate is left outright to a widow and on her death divided equally among the children. I understand the vast majority of Canadians leave estates in this category. To my surprise, I find that under the new rate the estate tax on a $60,000 estate increases from $2,600 to $4,800 where there is one child, and where there are two children from $2,600 to $3,000. There is one other category where there is an increase, an estate of $80,000 with one child, but the increase is hardly worth mentioning, from $8,332 to $8,700. The rates are lower in every other instance. I cannot see the justification for the difference in these two categories, except that it must be the mathematical application of a formula which happens to work out that way. I would hope some adjustment could be made with respect to those two categories.

In other categories where an estate if left to a stranger the new rate is much higher, and substantially higher in many categories. I have no particular objection to this because I think our primary concern is to protect the estates left to children and wives.

[Mr. Cafik.]

In conclusion, Mr. Speaker, I wish to say this legislation is good. I have reservations with respect to the two categories of estates that I mentioned, and I think something might be done to solve the situation. If an exception were made in these two categories I do not think the revenue loss would be very great. I also think consideration should be given to a new formula for assessing the value of farm land along the lines I have suggested. With no other reservations, I have no hesitation in supporting this legislation which is a step forward in the over-all plan of tax reform.

[*Translation*]

Mr. Henri Latulippe (Compton): Mr. Speaker, after listening to the speeches on the estate tax, I am pleased, in turn, to say a few words.

I should like to give my point of view on the new rules concerning the proposed amendments to the Estate Tax Act. I shall not go into details, because several hon. members have done so.

Briefly, I would like to say that corporations do not die but individuals do. The law under consideration affects individuals, the small corporations, the small companies whose president holds almost all the shares. When the president of such a small company dies, it is subject to the same laws and regulations as the individual, including the Estate Tax Act. Mr. Speaker, under that act and its regulations, we will continue to undermine private enterprise and free enterprise.

Mr. Speaker, free enterprise will no longer exist in a few years, for even if the bill contains some desirable tax exemptions, such exemptions are not considerable if one realizes that $100,000 are not worth today what that same amount was worth 50 years ago. In fact, a $100,000 or $200,000 estate is negligible today, since money is valueless now.

I was saying that corporations do not die. The large corporations that operate with the help of millions of dollars cannot be taxed, and since they will never die, in consequence, they will never pay. Once again, the small estates, the small businessmen will pay the piper, will be thrown in the street, in short will disappear to leave only the large corporations and state organizations which can enjoy privileges denied to small companies.

It is basically unfair, in my opinion, to tax individuals more than corporations. There is no honest or serious reason to treat instruments better than individuals who use them,

consequently to treat corporations better than individuals.

Mr. Speaker, under this legislation, corporations should pay as much estate taxes as individuals. The mere fact that they are organized in a corporation does not entitle individuals to privileges, at the expense of isolated people in our society which collects taxes for its administration.

• (8:30 p.m.)

If it is impossible to tax the estates of corporations, since corporations do not die, there is no logical reason to tax the estates of individuals. We wait until their real or financial property are transferred to their heirs, who will pay taxes as individuals. That is the principle in application.

If indeed, circumstances have favored the establishment of practices contrary to principles, there is no reason why we should maintain the same mistakes, the same lapses.

In the particular case at issue, regarding the tax on individuals' estates, we must make inquiries, charge for assessment of property inherited, deduct taxes owed to the government by the one who died, and that is all.

No succession duties are levied on corporations, but a last inspection and collection of taxes is made from citizens after they die.

I know, Mr. Speaker, that I am bringing forward arguments that may astonish some hon. members or the minister, but it is always the same thing. When the government extracts money from individuals, it is almost always in an unfair way, while that same government grants exclusive privileges to the big multimillionaire corporations. That is the situation that must be set right again.

The minister did not enter the picture; he did nothing so that small and large corporations would be treated on an equal footing in connection with succession duties. Small corporations are doomed to disappear and large companies will be allowed to go tax free.

My whole argument proves once again that I wish to respect the true principles of social life, that I am in favour of private enterprise at all levels, particularly at the level of the individual and the family, for death involves enough difficulties already without the government or the income tax people unduly complicating the settlement of the estate or the inheritance to the survivors.

The large millionaire or multi-millionaire corporations do not die. They are well protected at the death of their main shareholders. The securities they own are transmitted to their heirs very often without the inspectors noticing it. The corporation itself does not die, and it is not taxed. Why do we still protect the instrument more than the individual?

Nobody, Mr. Speaker, can carry his estate or his money to Heaven. It is for the living to distribute his estate, not for the government. The government is not more than Heaven, and Heaven does not claim a part of the estate of individuals. Why then do governments place a heavier tax on individuals than on corporations? There is no logical reason to justify the passing of this law: It can only be explained by absurdity.

Mr. Speaker, the bill now before us certainly contains some improvements, but it is unfair even though it only takes a part of their property when it taxes the poor. This is a kind of injustice all hon. members should recognize.

I, with some other members of the Progressive Conservative party, am among those who do not support this legislation. I have listened to them; some were right; but not a single one of them I think has pointed out the situation as clearly as I am doing now: it is a question of taxing the little man and the big man. We must be fair in this world, otherwise we are bound to see all kinds of atrocities, such as the ones we have witnessed recently.

In fact, we notice dissatisfaction throughout our beautiful country, when it would be so easy to do justice. It would be enough to tax everyone equally, according to one taxing formula. It would be sufficient to exact lower duties from small farmers or industrialists leaving estates of $200,000 or $300,000, which is not worth much today, when our money is worthless.

Mr. Speaker, I attempted to sum up in a few words the conclusions I drew after listening to the remarks of other hon. members on this bill. I therefore urge the minister to amend, and even withdraw his estate tax bill, because the taxpayer has always paid taxes during his lifetime. In fact, they are not satisfied to tax once those who have accumulated savings; those people are taxed a second, a third and even a fourth time; this is nonsense, and again the small man will be wiped out, although he has as much right to

live as the big man. Mr. Speaker, one has to crawl before one can run. To have the right to live and breathe, one is born a baby, and then one grows into an adult, and any adult Canadian has the right to make a living.

Canadians who made some money should be able to distribute it among their heirs, who would then further the economy of the country. The government has no business taking all the people's money away from them to spend it on its own.

Citizens are honest and clever enough to spend their money as they see fit and to run their industries and to keep working their lands, if they want to. If the proposed amendments were adopted, they would result in the disappearance of several industries. As a matter of fact, several small businesses will be driven to bankruptcy.

Mr. Speaker, we would be wrong to adopt such a bill. Once more, let us try and make justice prevail: let us tax the big ones as much as the small ones.

It was said a short while ago that this would bring in $200 million of which half would go to the Canadian government. In my opinion, the hon. member who quoted those figures is making a mistake. If the federal government receives $100 million and gives 75 per cent of this amount to the provinces, it will be left not with $100 million but with $25 million. I suggest that it is not worth it to destroy companies and private enterprise for $100 million. The government should therefore withdraw from this field and leave estate taxes to the provinces.

• (8:40 p.m.)

[*English*]

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I do not wish to belabour this subject at great length, but I do have an item I wish to draw to the attention of the Minister of Finance (Mr. Benson). The other evening the hon. member for Selkirk (Mr. Schreyer) suggested that, as he interpreted the schedule presented by the minister, the effective tax rate was closer to the rate for $100,000 estate than it was to the rate for the $50,000 estate. We in this group hope the minister will make a statement on this aspect, perhaps in replying to the amendment if he does not wish to close the debate. We might change our point of view if we had a statement from the minister clarifying this particular item. Let me suggest that the tables are not as clear as they might have been. Perhaps some of the responsibility for the lack of understanding lies on this side as well on the other side of this house. I, for one, would appreciate the minister explaining these tables again. Perhaps he would clarify them for me.

Let me emphasize an item referred to this evening by the hon. member for Ontario (Mr. Cafik). I refer to the arbitrary assessment by estate tax people who come out into the country and make assessments. I know of a case which involved four houses in a small prairie town. They were assessed at a value more in line with city values. The people involved were not lawyers but farmers who had inherited this property. While there may be appeal procedures available, these people felt they had as much chance of changing the assessment as stopping the sun from rising in the morning. Their feeling was similar to the feeling I have when I argue with the Postmaster General (Mr. Kierans).

When assessors on behalf of the income tax department or in respect of estate taxes come into an area they try to find out what property has sold for in the same area. They might discover that a quarter section of land was sold at one price and another quarter section at another price. This method of arriving at a value does not necessarily bear any relationship to the productive value or the overall value of a farm. I may be that someone was willing to pay a high price to obtain a quarter section or a half section in order to put together an economic unit. I feel that this practice should be corrected because it has caused a great deal of trouble and confusion in the settlement of estates. I have received many letters about this particular problem and I sometimes wonder whether I should not go into the estate planning business. I am not a lawyer, but I have learned quite a bit since I began discussing this matter and listening to speeches here.

When I receive a letter from a man who is well into his seventies asking me what he should do about his property, I wonder, as a member of parliament responsible to his constituent, whether I should act on his behalf or bring the situation to the attention of the Minister of Finance. As a member of the opposition, I have a tendency to protect the individual.

This brings me to another point. It is unfortunate there is not more estate planning done. We have many provisions under the old act and the proposed act which, if properly

used, would help many people settle their estates in a much more effective manner. The result would be less taxes paid. I am not sure that this is a responsibility of government, but since the government does thereby collect a greater amount of money than it might otherwise collect, it acts unfairly in situations which are the result of a misunderstanding or lack of knowledge of the law. In view of this fact, I think the government should bear some responsibility.

If one of my constituents does not understand this particular measure and has not planned his estate accordingly, I as a member of parliament, explain it to him. If I did not do so I would feel I had neglected my responsibility. Some time ago I was invited to attend a meeting in the country to explain this particular legislation to the people of the area. I accepted the invitation, but in the meantime the Minister of Finance changed the base rate from $20,000 to $50,000. I am glad I did not attend that meeting. If this legislation is passed in its present form, I may attend such a meeting at a future date.

Let me come back to my original point. We, on this side of the house, feel there is more doubt or confusion as to the effective tax rate for the lower schedule than for the higher schedule. This was referred to by the hon. member for Selkirk. Perhaps the Minister of Finance could clarify this situation. If we are wrong in this idea we will be glad to admit it. If the Minister of Finance has a different view, we should like to see a printed statement clarifying this situation.

Mr. Cliff Downey (Battle River): Mr. Speaker, it is not my intention to speak at any length this evening on the estate tax bill. If the Minister of Finance (Mr. Benson) has taken the trouble to read the mail which has poured into his office during the past weeks from businessmen and farmers across the nation he must be aware of the situation, and nothing I could say at this point would be of great assistance. Some hope was held out briefly a while ago when the minister announced the $50,000 exemption, but when we read the fine print we discovered that by the time an estate reaches $75,000 we are considering a $20,000 exemption.

At this time I think I can be of no more service than to read several excerpts from some of the local papers in my area which reflect the opinion of people out that way. Let me quote from the Wainwright *Star-Chronicle* as follows:

> It doesn't take much of a farm these days to be worth $100,000, including everything. And those who operate this size of a farm are having a hard time to keep going. Thousands of them at this very moment are finding every cent of income is committed to paying bills—and there never seems to be enough to pay them all.

• (8:50 p.m.)

> A cash reserve is non-existent under these circumstances.
>
> Almost three quarters of Canada's farmers have a taxable income of less than $4,000 a year; one in four has a taxable income between $4,000 and $10,000. Not much opportunity to build up cash reserves there, especially in the last few years. Yet the heirs of the farmer who leaves a farm valued at $100,000 must raise $17,400 to pay the estate tax on it. The same applies to many other types of small business enterprises, whose operators have a lot of money tied up in the enterprise, but have little ready cash and low net earnings.
>
> If the farm is valued at $200,000—again not an unusually high figure these days—the heirs would have to raise $51,000 to pay the tax.
>
> It is almost incredible that the government that has had so much to say about the "Just Society" should introduce such punitive legislation. It seems to us there could be no quicker way to destroy the family farm, and to hasten the day when land resources will be controlled by huge corporations.

The following is another excerpt from another prairie publication which reads:

> It seems strange to me that in these times when so much emphasis is being put on maintaining family farms and family units both by the government and farm organizations that we would be faced with such a bill as the new estate tax proposal. We seem to be trying to make the tail wag the dog and this never works for very long. It looks like a pretty short term outlook to me. Commercial agriculture just can't stand estate taxes; farmers and ranchers have been having enough of a struggle as it is to keep in business and the proposed tax would mean every generation would have to start all over again and everyone knows this is impossible in agriculture. It isn't an in-and-outers game but a business that takes years to build. If you can't turn your business over to your heirs there really isn't much point in having a business at all. If the proposed bill is approved by Parliament a guy with a ranch might as well sell out rather than try to build an outfit to pass along to his sons because it looks to me like he will just be putting them in debt for the rest of their lives and when and if they do ever own the thing they won't be able to pass it on to their sons anyway. Just looking at the thing from a farmer's viewpoint it seems to me some very careful thought and consideration better be put into this estate tax bill before they ever consider approving it. This can do more harm to agriculture than anything I know of. Agriculture has to have continuity and this idea of a double taxation surely is the wrong approach.

In the past, the people of Canada have been led to believe that the Liberal party of

Canada was representative of the businessmen and of the farmers of the nation, just as we know that the Conservative party has been representative of them. In my opinion, and not only in my opinion but also in the opinions of tens of thousands of Canadians today, the Minister of Finance is aligning himself solidly with the socialist doctrine that all wealth belongs to the state. He is accepting one of the proposals in the Carter Commission report that has been advocated for so long by our friends in the New Democratic Party.

The hon. member for Coast Chilcotin (Mr. St. Pierre), when he spoke yesterday, deplored amassed wealth and referred to the Rockefellers, the Krupps and the Duponts. He would have us believe that the new estate tax proposals would remedy all this and that all wealth would be equalized. Absolutely the opposite is the case. We are working on an entirely different group of people here. I remind you that the estate tax affects only 50 per cent of the real wealth of the nation, whereas it used to tax 54 per cent. On estates in the million dollar class, the reduction, in estate tax has been 4 per cent. We might go on to look at the equity of the social development tax, according to which a man who has an income of $4,000 to $8,000 is being taxed at the same rate as the man who makes $1 million. Certainly, there is nothing here that would indicate that the minister is doing something to distribute the real wealth of the country.

I must congratulate the hon. member for Ontario (Mr. Cafik) on his suggestion with regard to the assessment of land because, as I see it, this is one of the real inequalities. He mentioned that there should be one taxation rate on real estate and he gave an example of the way in which the encroachment of cities pushes up land values. He thought it would be a good idea to assess land on the basis of farm values. I would certainly go along with this suggestion. In my area a great many farms may be valued at $100,000 according to present inflated land values but in actual fact the net return on them may be less than $2,500 a year. This was the figure given by the Economic Council of Canada as being at the poverty level.

These people cannot keep a property of this kind and pay these estate taxes. If we allow the discontinuance of farming that will have an effect on the employment situation. If farmers who are forced off the farm are employable, someone else will be out of a job.

[Mr. Downey.]

We have only to look at some of the provinces today to realize that in at least one of them the unemployment figure is reaching over 10 per cent.

So the real problem as I see it is the inflated property values. If we are to accept the estate taxes as proposed by the minister, then let us assess property in line with the production capacity of the property. In my area it may take 30 acres of land to support a cow for a year. At current market prices which are artificially high because of the pressures brought to bear by many factors—and I would use as examples hobby farmers, foreign corporations and Hutterite colonies—the value of the land is vastly over-rated. In my area the land to support one cow for a year would cost possibly $1,200. In a typical cow-calf operation $25 per unit is a decent profit, and this is on a well run outfit. So, here we would have an operation on land valued at $120,000 which would only return the operator an income of from $2,000 to $3,000.

• (9:00 p.m.)

The farmer who owns the land may have paid only five dollars or ten dollars an acre for it but in the eyes of the estate tax people he is a wealthy individual. If we are to have estate taxes, then let us have assessments related to profits. I beg the minister to reappraise his position.

In this connection I would quote from an article which appeared in the *Globe and Mail*:

> The department's statisticians have ignored the fact that if one owes, say, $50,000 in estate tax, unless he sells assets to pay the tax he will have to pay it with after-income tax dollars, so it may come closer to $60,000 in actual cost.

We can readily understand that a man with a family and an income around $4,000 would have great difficulty in paying a $50,000 or $60,000 estate tax bill with after-tax dollars.

I think the hon. member for Battleford-Kindersley (Mr. Thomson) said, something about the minister remembering something which had gone before. I can only say that the hon. member for Battleford-Kindersley is probably also hoping that the farmers in his constituency do not remember the stand of his party with regard to the Carter report and the taxation of capital.

In closing, I should like to quote from a report of the Ontario Economic Council:

> Those responsible for guiding the course of our nation's development need only look to history to find proof that nearly every past civilization has

hastened its ruin through its dissipation of capital through taxation.

Some hon. Members: Hear, hear.

Mr. Mark Smerchanski (Provencher): We have heard much in this chamber tonight about views which newspapers and some tax experts have expressed with regard to this estate tax. Frankly, I think nothing has been so badly misrepresented in the newspapers as the proposed new estate tax. It is obvious that neither the Leader of the Opposition (Mr. Stanfield) nor the right hon. member for Prince Albert (Mr. Diefenbaker) have done their homework on this subject. They are not in a position to give the true facts about the proposed new tax.

What is the position, Mr. Speaker? Previously an estate of $60,000 was taxed. Under the proposed new tax there is no estate tax levied when property passes between a man and his wife, whether it is worth $100,000 or $200,000 or even a million dollars. This is a move in the right direction. I agree with my hon. friends who say that members of the opposition do not understand the implications of the new tax. We hear much about the destruction of family farms. We hear criticism on the ground that this proposal will destroy small businesses. This proposed estate tax will definitely help the family farm and will definitely help small business enterprises.

Some hon. Members: Hear, hear.

Mr. Smerchanski: We have recently concluded a week of federal-provincial meetings during which the provinces were asking for a higher percentage of the tax dollar. I would point out that the provinces take 75 per cent of every dollar collected in estate duty by the federal government. Yet, members of the opposition tell us that the federal government is being unrealistic. I suggest they go into a corner with a pencil and paper in order to figure out the exact implications of the new tax which is being presented.

I hear it said that small corporations are being taxed unfairly when compared with the large corporations. If there is any difference between the tax percentages applied to small businesses as opposed to large businesses, I do not understand the type of argument the opposition is using in this connection.

Some hon. Members: Hear, hear.

Mr. Smerchanski: We also hear criticism on the grounds that a family farm cannot be sold to an only son who wishes to carry on. We are told that previously the exemption in connection with a gift was $4,000. Now, it is argued, it will only be $2,000. The fact of the matter is that since there is to be no tax on transfers between a man and his wife, a husband and a wife will, together, be able to give the child $4,000 as was the case previously. To say anything else is simply untrue. Yet the right hon. member for Prince Albert made statements in Montreal before Christmas and after Christmas, as well as in one of the provinces only last Friday, misrepresenting the position. For a man of his calibre and standing to misquote the facts is something with which I cannot live. If members of the opposition feel this is playing politics let them carry on in the same way, because they are going to destroy themselves and we shall not have to help them.

Some hon. Members: Hear, hear.

Mr. Smerchanski: The proposed new tax in its modified form is far better and more equitable than the estate tax of previous years. We were told tonight that small businesses and small corporations would be taxed out of existence. That is simply not the case. If we sit down and think out the implications of this proposed legislation, we shall find it is far better than the old estate tax. On the one hand, we have large corporations paying better than 50 per cent of their profits to the federal government.

• (9:10 p.m.)

An hon. Member: Fifty-two per cent.

Mr. Smerchanski: Yes, that is right. Then, when they declare dividends the tax on those dividends amounts to anywhere from 10 to 20 per cent. So, if you analyse the situation the average corporation pays something between 60 to 70 per cent of their net profits in taxes. No matter how you slice it, it ends up as a tax bait to the federal government. Hon. members opposite say that there is a hardship placed on a small business or family farm under the new proposed estate tax; but I recommend they do their homework because this is not the case under the proposed legislation.

We hear much today about federal-provincial relations. We hear of the constant approach made by the provinces for a larger percentage of the tax dollar. I will wager before all members of this house that 75 per cent of every estate tax dollar collected by the federal government goes to the provinces.

It might be advisable to have the members of the opposition suggest to the Minister of Finance how to divide the remaining 25 per cent of the federal share of the proposed estate tax; this indeed would be a very interesting experiment in financing.

It is suggested that the owner of the small family farm cannot plan for the future if unfortunately, he dies and an estate tax is levied. This bill is one of the most outstanding pieces of legislation that has come before the house because it provides for fair and equitable distribution, and hon. members cannot deny it.

I heard one member say that if an estate were worth $100,000 the estate might be called on to pay $50,000 in tax. Either the member who made that statement is completely irresponsible or he does not know what he is talking about.

Mr. Groos: Both.

Mr. Smerchanski: It might well be both. Coming from such an irresponsible group as this opposition, it might well be both. Let us suppose an estate is worth $100,000, and that tax is levied at $50,000. If there were one child exempted at $4,000 a year, with 12 years of proper estate planning no estate tax would be due on that $100,000 estate. If there happened to be two children the period would be reduced to 6.2 years. If there are three children it is reduced to 4.2 years. So to say that there are no provisions for estate planning in this legislation is simply not true.

Members of the opposition have been going across the country quoting what they allege to be newspaper opinions and newspaper polls. I suggest that before they refer to polls conducted by newspapers they do their own homework and find out exactly what they are talking about in terms of dollars and cents. To do otherwise is to fly a kite, to gamble in spiritualism, instead of understanding the true facts of the situation.

From the standpoint of dollars and cents, the proposed estate tax is equitable. With regard to estate tax planning, after August 1, 1969 one can opt either to take the old rates or the new rates. This too is fair and equitable. Being given the option to pay the tax over six years is a fantastic improvement over the previous provision. This is a move in the right direction. I only wish all members of the house would do their homework, understand the implications of the new estate tax and tell their constituents the truth about the new estate tax. If that were so they would find that their constituents were pleased and delighted with the new legislation that is before us tonight.

The proposed legislation that is before us tonight is not going to affect adversely the family farm. It is not going to put the small business enterprises of this country out of business. It is going to help them. It is going to encourage and enable small family farms and business enterprises to pass on their operations to the children of the family and will levy far lower estate taxes than would be the case under the old estate tax legislation.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, in discussing the estate tax bill I think we must keep in mind several things that the Minister of Finance (Mr. Benson) has in mind. I suggest that as a result of the original budget proposals the Minister of Finance is introducing very shortly, so we are told, a tax reform bill to cover not only this particular type of tax but other forms of taxation. Some of this taxation may be new; some may be old and due for revision.

In discussing this estate tax bill, we must keep one eye on the bill and one eye on other areas the particular bill touches. I believe the government was flying a trial balloon when it first introduced its tax measures early in the fall. It was testing public reaction on two fronts. First, they were testing the reaction to the imposition of estate taxes. These would include taxes on every form of inheritance. Secondly, they were testing the public's reaction to the imposition of a capital gains tax. In this connection I wish to suggest some changes to the legislation which the minister may not wish to accept at the moment but which he and his officials may consider when planning tax reforms.

• (9:20 p.m.)

When this measure was introduced we were told that monetary considerations influenced the government in introducing it. The Minister of Finance said that the provinces needed money and he was thinking of the provinces. Where else could he find this type of money except in the field of estate taxes? The minister made similar remarks inside and outside the house on a number of occasions.

Figures presented during the federal-provincial conference show that the federal government keeps only 24 per cent of all estate taxes levied. The figures show that in 1967 all

estate taxes amounted to $217 million. Answering the Leader of the Opposition (Mr. Stanfield) the other day, the minister said that as the result of exemptions spouses will benefit from, there will be a reduction in the amount of estate tax collected of $45 million. I think that is correct, is it not?

Mr. Benson: Mr. Speaker, that is the total reduction for all governments.

Mr. Korchinski: The total amount of estate tax collected will be reduced from $217 million to about $170 million, on the basis of 1967 figures. Since the federal government retains only about 24 per cent of all estate taxes collected, it will benefit to the extent of between $42 million and $43 million. In other words, so far as the federal government is concerned, not too much money is involved. If the government were really concerned about the plight of the provinces, the Prime Minister (Mr. Trudeau) would not have made a statement at the federal-provincial conference to the effect that if the provinces want more money they should collect it themselves.

Some provinces have indicated they prefer not to collect estate taxes. Alberta has gone out of the business of collecting estate taxes and Saskatchewan has indicated that it, too, will go out of that business. The governments of those provinces consider it is important for wealth to accumulate in family farms or businesses. The few millions of dollars the federal government may lose in estate taxes that are not collected would soon be made up in the form of income taxes when these businesses prosper. I submit the government ought to increase the exemption level from $50,000 to more than $100,000. The hon. member for Coast Chilcotin (Mr. St. Pierre) last night said he favoured the $100,000 figure. I support him in that.

If the figures that have been quoted are correct, I submit that the government will collect less than half the $40 million odd it now collects from estates worth less than $100,000. All the government has to do if it wishes to make up the difference is spend less on expensive art centres and on repairs to ships like the *Bonaventure*.

I submit that the government's deep seated reason for introducing this estate tax measure is to be found in the Prime Ministers' basic philosophy. We must understand the direction in which this country is heading; and in order to understand that we must understand the people who are formulating the philosophy and implementing the policies of this country. On various occasions the Prime Minister has flirted with the socialists. It is no secret that he studied and, at times, was impressed with the communist ideology. I need say no more on that point except that this ideology may have been in the Prime Minister's mind when he allowed the Minister of Finance to introduce the type of budget that was last introduced. It was evident, surely, that by lowering the exemption floor under estate tax legislation to $20,000, every property would be taxed and every property owner touched by the tax. An attempt was made to implement part of the Carter Commission report, or so it seems. Members of the N.D.P. blessed that attempt.

• (9:30 p.m.)

During the last election campaign members of the N.D.P. preached across this country that the Carter report was the greatest thing going and ought to be implemented in its entirety. I was therefore pleased last night to hear the hon. member for Saskatoon-Biggar (Mr. Gleave) change his tune. I imagine he did so because of letters written to him and others of his party protesting the estate tax. Members of the N.D.P. treated the Carter Commission report as a full fledged issue, particularly in urban areas. The N.D.P. went far and wide and uttered in every speech, "We have to soak the filthy rich. We must take the money away from those big corporations. There are bad cats and good cats. We have to get the bad ones." They convinced many people in the rural areas that implementation of the recommendations in the Carter Commission report would be important and necessary for their survival. Only then would they find their Utopia. An attempt was made last fall by the Minister of Finance to implement some of these recommendations. The "filthy rich" were not attacked and huge corporation profits were not suddenly drained. Instead, every householder, farmer and small businessman was affected.

The N.D.P. repeatedly urged acceptance of these proposals made in the Carter report. I want to quote from this report. It is important that Canadians should know that this is what the N.D.P. had urged. I quote from page 70, volume 3 of the report:

> Gifts and inheritances obviously add to the economic power of the recipient. We therefore recommend that, with the major exception of transfers between members of a family unit and with a number of relatively minor exceptions, they should be treated as income for tax purposes.

At page 477 the report reads:

> Taxation should be levied in the most neutral manner possible. However, this does not mean that if a taxpayer elects to place his resources in such a way that they are not readily realizable, he should secure a tax preference over other taxpayers with liquid assets. The tax system should, of course, provide for an orderly realization subject to the securing of debts to the Crown and the payment of appropriate interest. As long as tax can be readily computed there seems little excuse for the failure by taxpayers to make provision for such taxes and will apply to their estates.

The New Democratic Party members failed to mention in their speeches that this proposal affects the farmer and the city dweller as well. It might be of interest to people in urban areas to see how the recommendations of the Carter Commission might have affected them. I quote from an article in the Toronto *Telegram* of January 31, written by Eric Dowd:

> Almost any house in Metro is now worth at least $20,000, said a Queen's Park official.
>
> The average Metro price is about $30,000—
>
> For most people it would have meant taking out a mortgage to pay off the new tax,—

The article reads, in part:

> The province is under some pressure to raise this exemption. A select committee of the Legislature urged last year the exemption be raised to $90,000.
>
> It felt a $75,000 estate is not a "rich man's estate"—

I think this is the crux of the whole matter. The minister realized this report could be dynamite. It would have affected every householder in Toronto. His own riding would have been affected and it would have been "bye bye Benson". It was not the rural areas which concerned the minister. As he stated, it was representations from the urban areas in Toronto from which you have a flood of Liberal members. These are the people who changed his mind. The Carter Commission proposals at that time would have affected every householder. The minister realized how dangerous this was and changed his mind. There is one commendable feature in the estate tax proposals and that is the exemption for spouses. This is a provision with which everyone would agree. For this I congratulate the minister. I am sorry the congratulations have to stop at that point. From that point on, the minister has made it a lot tougher on small businesses.

What did the minister do with regard to the $20,000 exemption? He introduced a tax system that was most iniquitous and after a period of incubation said, "No dice, we don't tax any more; we put things back to where they were." But he did not do this. The point made earlier by a spokesman of the N.D.P. is well taken. What the minister has in fact done has been to tax those estates below $100,000 at a higher rate. According to this table, on an estate of $60,000 with one child under the present law the tax would be $2,600. Under the proposed law the tax would be $4,800. Once estates reach a higher level and people are in a better position to pay more tax, the minister makes it easier by reducing their tax.

On an estate of $100,000 the tax under the present law is $15,160 and under the proposal law it is $13,200. Estates valued at $60,000 will be subject to a higher rate of tax than previously. It has been made easy for the millionaire. We save him something like $70,000 or $80,000. Under the present law an estate of $1 million paid $511,000. Under the proposed change it will pay $434,000. This is what the minister is doing for the millionaire.

• (9:40 p.m.)

Mr. Benson: On a point of order, Mr. Speaker, since the hon. member is quoting from the tables might we not get permission of the house to have the total tables printed in *Hansard* along with the hon. member's speech?

Mr. Korchinski: I am sure I don't mind. As a matter of fact it might prove the point I am making, that from $100,000 on these proposals make it a lot easier to pay your taxes. As a matter of fact, the tax was a lot higher previously than it will be now.

Mr. Deputy Speaker: Order. I am not sure whether the minister's point of order was by way of formal request or interjection. If the minister wishes to table these documents he needs the consent of the house. I am not sure really what his intention was.

Mr. Benson: Mr. Speaker, the hon. member was quoting from tables I had given him. I was going to ask unanimous consent of the house to have the total tables printed in *Hansard* along with his speech so that all can see what the figures are.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

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

ILLUSTRATIONS OF THE EFFECT OF THE ESTATE TAX CHANGES
On Estates between $50,000 and $100,000

	Estate of $50,000		Estate of $60,000		Estate of $80,000		Estate of $100,000	
	Present Law	Proposed Law	Present Law	Proposed Law	Present Law	Proposed Law	Present Law	Proposed Law
	$	$	$	$	$	$	$	$
1. Estate left outright to the widow, and on her death equally amongst her adult children; where the number of children is:								
One	0	0	2,600	4,800	8,332	8,700	15,160	13,200
Two	0	0	"	3,000	"	6,600	"	10,800
Three	0	0	"	1,500	"	4,800	"	8,700
Four	0	0	"	0	"	3,000	"	6,600
2. Estate left outright by a widower:								
(a) to a stranger	0	0	2,600	5,000	6,200	10,800	10,200	15,600
(b) equally amongst his adult children; where the number of children is:								
One	0	0	2,600	4,800	6,200	8,700	10,200	13,200
Two	0	0	"	3,000	"	6,600	"	10,800
Three	0	0	"	1,500	"	4,800	"	8,700
Four	0	0	"	0	"	3,000	"	6,600
3. Estate left in trust with the income to the widow during her lifetime and the assets divided equally amongst the children on her death; where the number of children is:								
One	0	0	0	4,800	2,600	8,700	6,200	13,200
Two	0	0	0	3,000	"	6,000	"	10,800
Three	0	0	0	1,500	"	4,800	"	8,700
Four	0	0	0	0	"	3,000	"	6,600
4. Estate left outright with one-half to the widow and one-half divided equally amongst the children, and on the widow's death her estate is divided equally amongst the children; where the number of children is:								
One	0	0	0	0	2,600	1,500	6,200	3,000
Two	0	0	0	0	"	0	"	1,500
Three	0	0	0	0	"	0	"	0
Four	0	0	0	0	"	0	"	0

[Mr. Deputy Speaker.]

ILLUSTRATIONS OF THE EFFECT OF THE ESTATE TAX CHANGES

On Estates between $120,000 and $1,000,000

	Estate of $120,000		Estate of $150,000		Estate of $200,000		Estate of $500,000		Estate of $1,000,000	
	Present Law	Proposed Law	Present Law	Proposed Law	Present Law	Proposed Law	Present Law	Proposed Law	Present Law	Proposed Law
	$	$	$	$	$	$	$	$	$	$
1. Estate left outright to the widow, and on her death equally amongst her adult children; where the number of children is:										
One	22,556	18,300	34,304	26,700	55,136	43,200	201,910	184,200	496,586	434,200
Two	"	15,600	"	23,700	"	39,700	"	179,200	"	429,200
Three	"	13,200	"	21,000	"	36,200	"	174,200	"	424,200
Four	"	10,800	"	18,300	"	32,700	"	169,200	"	419,200
2. Estate left outright by a widower:										
(*a*) To a stranger	14,600	21,000	21,400	29,700	33,600	46,700	122,900	189,200	313,900	439,200
(*b*) equally amongst his adult children; where the number of children is:										
One	14,600	18,300	21,400	26,700	33,600	43,200	122,900	184,200	313,900	434,200
Two	"	15,600	"	23,700	"	39,700	"	179,200	"	429,200
Three	"	13,200	"	21,000	"	36,200	"	174,200	"	424,200
Four	"	10,800	"	18,300	"	32,700	"	169,200	"	419,200
3. Estate left in trust with the income to the widow during her lifetime and the assets divided equally amongst the children on her death; where the number of children is:										
One	10,200	18,300	16,800	26,700	28,600	43,200	116,300	184,200	305,300	434,200
Two	"	15,600	"	23,700	"	39,700	"	179,200	"	429,200
Three	"	13,200	"	21,000	"	36,200	"	174,200	"	424,200
Four	"	10,800	"	18,300	"	32,700	"	169,200	"	419,200
4. Estate left outright with one-half to the widow and one-half divided equally amongst the children, and on the widow's death her estate is divided equally amongst the children; where the number of children is:										
One	11,986	9,600	20,588	15,300	35,940	26,400	147,781	125,400	380,005	368,400
Two	"	6,000	"	11,400	"	21,600	"	117,400	"	358,400
Three	"	3,000	"	7,800	"	17,400	"	109,400	"	348,400
Four	"	0	"	4,500	"	13,200	"	101,400	"	338,400

Mr. Korchinski: What the minister does not realize is that according to these tax tables he is making it harder for those who are struggling, those who are setting up business and reaching the point where it may be a paying proposition. At that juncture, the minister jumps in and apparently imposes a heavier tax. If he believes that the scattering of estates is conducive to the economic improvement of the country then perhaps he should continue in this course.

Last night the hon. member for Oshawa-Whitby (Mr. Broadbent) suggested that the estate tax should be 100 per cent, except in cases involving spouses. To me that spells communism.

Although $100,000 sounds like a lot of money, it is only the paper value of many estates. Owning property is no assurance of a better life. In fact it can be a lot rougher and less rewarding than working for a wage. This is the case with many farmers. Most farms are essentially a father and son enterprise passed on from generation to generation. A farmer's assets are all tied up in one parcel.

It does not take much of a farm these days to be worth $100,000, but many farms worth that do not earn enough for the farmer to pay income tax. This is indicative of the type of money made on an operation of that size. It is indicative of the type of poverty that exists, despite a book value of that size.

We have spent considerable time in parliament passing legislation to set up economic farm units. This session we passed an amendment to the Farm Credit Act, making it possible to advance loans up to $100,000. Amendments to the Farm Machinery Syndicates Act, to provide $45,000 loans, are presently before the standing committee. In the ten years since it was established, the Farm Credit Corporation has been authorized to make loans of $27,500; this ceiling was later increased to $55,000, and only this year increased again to $100,000. These high book values are caused by inflation, by rising costs of machinery and higher taxes. If a farmer is to continue to have an economic unit he must stay with the game; in other words, he must continue to borrow.

On paper the value of a farm looks like a fantastic amount of money. The hon. member for Coast Chilcotin (Mr. St.-Pierre) last night showed that he understands the problem very well, when he quoted figures to show the type of investment that in some cases gives a return of less than 1 per cent on capital. This is what is really happening in the farming industry.

The Saskatchewan Association of Rural Municipalities sent a letter to the Minister of Finance (Mr. Benson) in which they said the following:

> Because of high land values and large land holdings which successful farming operations require, farm estates attract high estate taxes but have no liquid assets readily available to pay them. We cannot see how our national well being could be served by the breaking up of production units to pay estate taxes.

An editorial in the *Western Producer* of February 13 contained the following:

> —thousands of farmers nearing retirement have sizeable estates when their value is based on inflated prices of land, which may have doubled in the past ten years. But while the book value of the farm has increased, its earning power has actually diminished, to the point that returns are completely out of proportion to the book value of the land. The situation has been aggravated by rising costs of production and shrinking or static prices for farm products.
>
> The problem then, is one of acute shortage of cash. On the books, the farmer appears to be a wealthy man, in terms of what he owns; but in actual fact he may be living close to the poverty line.
>
> Frozen assets don't pay debts, nor will they provide for the ready cash needs that arise when an estate passes from one generation to the next—such as estate tax.

The *Manitoba Co-operator* had a very interesting article which read in part:

• (9:50 p.m.)

> It has been calculated by one source that a section farm in Manitoba with a modest machinery and livestock inventory would be subject to about $26,700 taxes on inheritance. Now tell us where a son inheriting such an estate, and intending to remain in farming, is going to get that amount to pay off the government.
>
> In most cases he will be faced with selling off some of the land—probably resulting in an uneconomic unit—or borrowing at the current exhorbitant interest rates and trying to survive in an industry that is already sorely beset by problems.

Despite the protestations of the hon. member for Provencher (Mr. Smerchanski) I think that pretty well illustrates that the farming community has an understanding of the situation. I believe it is unfair that this type of industry which is so depressed should be treated in a manner which would seem to indicate that the bureaucracy here in Ottawa believes there is money to be made. What are we creating by this attitude? What are we doing to all the communities that are struggling for survival? What will happen to all these little service stations and garages? A garage owner does not have to have very much to reach the figure of $50,000. There might be a few automobile parts, a building and a lot of junk outside in the yard.

Many of these small businesses go broke. We might ask ourselves, what we are doing in respect of these little grocery stores and so on? All these people ask for is an opportunity to operate a small business or farm, economically if possible, so that they will be independent. What should the government role be in this regard? The government should make it possible for them to operate these businesses. Instead, the government with one hand is reaching in their pockets, and with the other hand is forcing them to split up these economic units. The Farm Credit Corporation provides money for the setting up of the economic unit and then the government turns around and introduces legislation which in effect says that the economic unit must be split up. Where can the money come from? These people do not have money lying around. In the farm industry, as in business, there is always room for improvement. Therefore, the money is continually tied up.

The trouble with estate taxes is that they destroy incentive. What small businessman will spend money to improve and expand his operation if by doing so he is subjecting his property, and his heirs, to a crippling tax payable on his death? Surely, this encourages economic stagnation, rather than stimulating this growth which Canada badly needs. I think whatever may be said of Premier Thatcher in Saskatchewan, he fairly well understands the situation. For this I give him full marks. I believe he is well aware of the need for capital in that province. I think he has indicated his government is quite prepared to quit levying estate taxes. These are some of his comments as reported in the *Leader Post* of January 31, 1961:

> The government of Saskatchewan adheres to its basic position that estate taxes in these times of inflated land values, will work a particular hardship on farmers.
>
> The $50,000 limit is all right, but as far as I can see he hasn't changed his rates which we describe as savage.
>
> I welcome the proposal to allow payments on estate tax over a period of six years.

This is fine, except that I wonder why interest must be collected on the balance owing. Even if estate taxes are necessary, why must interest be collected? All the government need do is wait six years and everything will be balanced. There is no need to apply interest on top of an inequitable tax. I am sure the minister might wish to look at that. The estate tax is not like the income tax under which, if there are arrears, another tax payment is due in the following year. This is a once in a lifetime situation. If we are to make payment of the tax as easy as possible, then surely it is not essential that interest be collected. The minister will receive the same amount of revenue in the end.

In the next minute or two, before concluding, I should like to suggest that the government should consider dropping out of the estate tax field entirely. However, if the government feels it must remain in this field I believe it should consider the fact that many of these values are inflated and, therefore, the exemption should be increased to $100,000. As reported in the Toronto *Telegram* for February 11, 1969 the President of the Canadian Imperial Bank of Commerce is quoted as saying:

> Reducing exemptions in estate taxes would run counter to other government policies and could weaken Canada.

The article with reference to the President of the Canadian Imperial Bank of Commerce states:

> His criticism of the inheritance-tax changes was part of an attack on Government tax and welfare policies which, he claimed, promote inflation and reduce the individual's incentive to work.
>
> People in banking are familiar with the struggles of small businesses to build up assets. It is a slow, laborious process.
>
> Small businesses, often they are family businesses, do much for the strength of Canada. Why should they be put in jeopardy when the owner passes on?
>
> It would be "tragic" if Canadians lost their initiative because of Government policies.

I simply want to say that the government should not heed pleas like those we heard last night from the hon. member for Oshawa-Whitby (Mr. Broadbent). We heard that all inheritances other than those of a spouse, should be taxed 100 per cent. I say that is communism. At the present rate, even though it is 50 per cent, I say to the government we are half way toward communism.

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, may I ask the Minister of Finance (Mr. Benson), probably as acting house leader, whether we will be carrying on tomorrow with this item. The house leader suggested, I think last Thursday, that we should deal with this bill on Tuesday, Wednesday and Thursday of this week. I assume this will be the order of business.

Mr. Benson: Yes. The intention is to carry on with this bill through the second reading stage, the committee stage and the third reading stage.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

HEALTH AND WELFARE—MANITOBA—OPTOMETRIC AND CHIROPRACTIC SERVICES IN MEDICARE PLAN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday January 27 as recorded at page 4829 of *Hansard* and on Monday February 3 as recorded at page 5046 of *Hansard* I asked questions about the inclusion of optometric and other paramedical services within the provisions of the various provincial medicare plans. In particular, I asked whether the federal government intended to honour its commitments to share in these plans in keeping with the amendment made to section 4 of the Medical Care Act in 1966.

When I asked my question on January 27 the answer of the minister was that he did not think there was yet sufficient consensus for this to be done. When I asked my question on February 3, with particular reference to Manitoba, the minister said categorically that the federal government was not going to share in the cost of optometric and chiropractic services being included by Manitoba in its medicare plan. One does not like to use the word "betrayal" very often, but I am afraid that is the word which applies in this case.

• (10:00 p.m.)

In 1966 when we were adopting the Medical Care Act we insisted through a very long debate that there be a provision written into the act whereby other services could be added such as optometry. In due course, an amendment was made. As a matter of fact, it was made by the government, the terms of which are quite clear, namely that there can be other services. The wording appears in subsection (3) of section 4 of the Medical Care Act which says in part "in the application of this act a plan established by any of the legislatures of a province", and I stop there to emphasize the words "a province" because that is the key phrase. It was not necessary to have a number of provinces; rather if any one province sought additional services this could be arranged by agreement between that province and the federal government.

Lest there was any misunderstanding about that interpretation questions were put to the minister by several of us, notably by one T. C. Douglas, who will be coming here in a couple of days as the hon. member for Nanaimo-Cowichan-The Islands. He was then the member for Burnaby-Coquitlam. His question appears on pages 10764 and 10765 of *Hansard* for December 6, 1966. Let me read the part of his question which had reference to the amendment to which I just referred. This is it:

> I take it this means that the governor in council, on the recommendation of the minister, can extend paramedical services in a plan in a particular province even though other provinces have not asked for a similar extension. In other words the minister would be free, under this amendment, to accede to the request of a particular province that wanted to add to the services which are provided under this legislation, and it would not have to wait until a majority or a specified number of provinces, indicated their desire to have these paramedical services included.

The question was clear. The emphasis was on "a province", by itself. A little later on the same page the then Minister of National Health and Welfare, the present Minister of Manpower and Immigration (Mr. MacEachen) was equally clear when he said this:

> Mr. Chairman, I think the construction the hon. member for Burnaby-Coquitlam has put on the proposed amendment is correct, namely, that it would be possible for one or any number of provinces to admit any health services. I want to assure the committee that the amendment proposed is not a pious wish.

A week or so later the office of the Prime Minister, then Mr. Pearson, wrote to the President of the Manitoba Optometric Society, Mr. Roy Brown of Virden, Manitoba, and spelled it out to him that the amendment which had been passed to this bill made it possible for an agreement, and I quote, "between the federal government and a provincial government, to bring under the plan, at a later date, additional health services, including optometric services".

Thus it is in the act, that it can be done if one province requests it. The Minister of National Health and Welfare at the time made it clear that it was not necessary to wait for a number of provinces, a majority, a consensus or anything of that sort. In fact, the word "consensus" was not mentioned. The government is now refusing to honor its commitment.

The two provinces that are already in the plan, British Columbia and Saskatchewan, found that they had to include optometry. The doctors cannot handle the load. Manitoba, after assessing the situation carefully, is faced with the fact that it too has to include

optometry in the plan, yet the federal government still says it is not going to share in this cost.

This is a repetition of what was done to the provinces under the hospitalization scheme in respect of mental health services and tuberculosis. The provinces were left in the position where they had to carry their own costs despite the fact that we were being given a piece of legislation that was supposed to be all inclusive. I submit this is quite unfair, and a clear case of the government breaking its commitment when it does not now include these other services which provinces like British Columbia, Manitoba and Saskatchewan are requesting, not to mention New Brunswick and perhaps one or two others.

In light of the commitment made by the former Minister of National Health and Welfare, and in the light of what is stated in the act, I call upon the government not to take the negative position it is now taking. The Minister of National Health and Welfare (Mr. Munro) said the other day that he would put the emphasis on getting all of the provinces in. Mr. Speaker, you do not get all the provinces in by not keeping the word of the government, and I call for that word to be kept.

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, the Minister of National Health and Welfare (Mr. Munro) advises me that the possibility of including the services of other health professionals, including optometrists, under the Medical Care Act has been discussed at various federal-provincial conferences of ministers of health. The view of the federal government is that we should not yet consider extending benefits when all provinces have not yet made clear their intentions regarding participation in the medical care plan.

This is not in any way a breach of commitment. Our present efforts are directed toward obtaining for all Canadians the benefits of the Medical Care Act. The difficulty with determining the extent of provincial requests for the inclusion of optometry lies in the fact that some provinces which might unofficially support its inclusion officially oppose in one form or another the Medical Care Act itself. However, some of the provinces certainly have indicated interest in the inclusion of optometry under the plan. It would seem likely that this inclusion might be expected to be speedily accomplished once all provinces have indicated their intentions with regard to the basic package under the Medical Care Act, which was passed almost unanimously with support from all parties in this house.

[Mr. Knowles (Winnipeg North Centre).]

TRANSPORT—DISCRIMINATORY REDUCTIONS IN EXPRESS ASSOCIATION RATES

Mr. John Burton (Regina East): Mr. Speaker, on Wednesday, February 12 I addressed the following question to the Minister of Transport (Mr. Hellyer):

> Will the minister undertake to investigate recent rate reductions by the Express Transport Association in western Canada which appear to discriminate against Regina and Saskatoon.

Tonight I am disappointed that I do not see in the house either the Minister of Transport, the Minister without Portfolio with special responsibilities in the field of transport, or the Minister without Portfolio, the hon. member for Saskatoon-Humboldt (Mr. Lang) who has a special interest in this subject. I presume that the parliamentary secretary to the President of the Privy Council (Mr. Forest) will answer the question and probably slough off any responsibility for this particular matter.

The Express Transport Association is an independent body acting on behalf of Algoma Centre Railway, Northern Alberta Railway, Ontario Northland Railway, Railway Express Agency Incorporated, Canadian National Railways and Canadian Pacific Railway. In December, the Express Transport Association and its member companies introduced freight rate reductions on bulk and individual shipments from Toronto and Montreal to western Canadian cities including Winnipeg, Calgary, Edmonton and Vancouver, but not including Regina and Saskatoon. The rate reductions which were introduced amounted to from 13 per cent to 28 per cent depending on the type of shipment. For example, to quote some of the effects of these new rates, a 200 pound shipment from Montreal to Swift Current can be shipped to Winnipeg and then reshipped to its destination for $13.45. However, if the same order were to be shipped to Regina and then shipped to Swift Current the cost would be $16.82, a difference of 25 per cent which is incomprehensible and can only be classified as discrimination against Regina and Saskatoon, as distribution points in western Canada.

In addition, it might also be noted that the same 200 pound article can be shipped to Alberta cities, that is Calgary and Edmonton, for $11, which is $2.90 or 25 per cent less than it would cost to ship the same goods to Regina alone. I can only conclude that this is discrimination not only against Regina and Saskatoon, but against the Province of Saskatchewan.

• (10:10 p.m.)

Protests were entered by the Regina Chamber of Commerce, the Saskatoon Board of Trade, the Saskatchewan Chamber of Commerce, my colleagues, the hon. member for Saskatoon-Biggar (Mr. Gleave) and the hon. member for Regina Lake Centre (Mr. Benjamin) and myself. I understand there were other protests as well. On the basis of the early acknowledgement of these protests there was some cause for hope. We waited until February 7, when a decision was reached, but that decision was disturbing, as quoted in the *Leader Post* of February 10:

> Rail express rate reductions already granted to other major cities in western Canada will not be given to Regina and Saskatoon, the Express Transport Association of Canada announced Friday.
>
> G. A. Shaw, general manager of E.T.A., said in a telegram to Regina Chamber of Commerce and Saskatoon Board of Trade that carriers are not prepared to reduce rates to Regina and Saskatoon in shipping from Toronto and Montreal.

In addition, I myself received an acknowledgement of my protest regarding action taken by the Express Transport Association in the following words:

> The question of including Regina and Saskatoon in our existing list was given serious consideration by member companies. However, I regret to advise that we are not prepared to add them to our listing at the present time.

Further protests were sent by the Regina Chamber of Commerce, the Saskatchewan Chamber of Commerce and other bodies. In addition, I added my word of protest in a letter dated February 14. In my letter, I stated:

> I must say I find this action most disappointing and disturbing. For my own part I cannot condone this type of discrimination against Regina and Saskatoon and I assure you I do not intend to remain silent on the question. It is this type of action on the part of railway companies which has resulted all too often in a loss of favour among the public.
>
> Furthermore, I must say that I was disturbed by the cavalier attitude in your letter to myself and in other pronouncements on this subject. At no time have I seen a rationale or explanation of the new rate structure as it affects Regina and Saskatoon.
>
> I would point out to you that while the transportation legislation approved by parliament in 1967 gives the railways more freedom of action in rate setting, it is now incumbent upon the railways to exercise some responsibility in the use of discretionary powers. Should the railways continue policies which have an effect such as is the case with Regina and Saskatoon in this instance, it will soon bring pressure to place more restrictions on railway rate making power.

I would urge the government to intervene to put an end to this discrimination and make it clear to the railways that this type of discriminatory practice and policy will, if continued, result in a reconsideration of the powers allowed to railways under the legislation passed in 1967.

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): On behalf of the Minister of Transport (Mr. Hellyer), who cannot be here tonight, I wish to inform the hon. member for Regina East (Mr. Burton) that the rate reductions referred to were made by the Express Transport Association, effective November 11, 1968, and are applicable to shipments weighing 101 pounds up to 10,000 pounds. The justification given by the Express Transport Association is set out in the following telegram sent by its manager on February 14, 1969 to the Regina Chamber of Commerce and the Saskatoon Board of Trade:

> Please refer to exchange of correspondence in respect to Express Transport Association rates between Montreal, Toronto, western Canada. These rates are an experiment to attempt to attract long haul traffic not presently handled by express carriers. For this reason the number of points were kept to a minimum; the rates as well as the results are under review to determine whether they will be continued, extended, modified or cancelled. In the meantime it is not the intention to add any further points to the tariff.

The matter is currently being looked into by the Canadian Transport Commission and as soon as the Minister of Transport has received a report from that body he will be glad to make the house aware of its contents.

AIR TRANSPORT—CASTLEGAR, B.C.—CONSULTATION BEFORE CHANGE IN SERVICE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, last Friday I directed the following question to the Minister of Transport, as reported at page 5522 of *Hansard*:

> Were the municipalities involved in the operation of the Castlegar airport and other airports consulted by the Canadian Transport Commission before the decision was made to authorize B.C. Air Lines to operate local services on C.P.A.'s southern run?

Then, Your Honour suggested that if there were some urgency about the question it could be discussed at the time of adjournment. The matter is not only urgent, it is of vital importance to my area and I have therefore taken this opportunity to expand on this very important problem.

It seems to me that when any major change in the transportation facilities affecting an area is contemplated, then it is just plain commonsense that the people of the area affected be consulted as to the advisability of the proposed changes. I understand that the municipalities of the area were never consulted about these changes or given an opportunity to express their views on the proposed changes in service.

Transportation services are vital to the growth of all areas. A cutback in any type of transportation service can do great harm to a district unless other forms of transport are substituted. Today, air transport is growing rapidly. There is expansion everywhere, for air travel is coming into its own. However, in the proposed schedule for travel and facilities as outlined for the Castlegar airport by the air transport commission, there is every indication of the present service being drastically curtailed. The schedule certainly was not drafted with a view to giving better service to an area with over 70,000 in population and which is expanding rapidly.

When the Canadian Pacific Railway closed out its passenger service over the Kettle Valley railway it indicated that it would provide good passenger service by air. There was really an obligation on Canadian Pacific and it did provide a fairly good service to the area. C.P.A. used a DC-6 which carried 84 passengers. It made two trips daily to Vancouver. It gave our district direct service to Calgary. This aircraft was able to carry express and freight where needed in fairly substantial amounts. The number of passengers leaving the Castlegar airport was on the increase, and sometimes the DC-6 had a full complement of passengers. This C.P.A. service provided meals to the passengers on the Vancouver and Calgary runs. This necessitated, of course, a very fine stewardess service on this C.P.A. run.

Now the air transport commission has offered our area an inferior service as far as I am concerned. We are to have service from B.C. Air Lines which will use 18-passenger planes. They will make three return trips per day to Vancouver and two trips to Cranbrook. We will lose our through service to Calgary. I understand there is no meal service, and of course there are no stewardesses on board. The carrying capacity out of Castlegar will never be able to meet the passenger demand. There will be lengthy waiting periods at Cranbrook for P.W.A. flights to Calgary.

[Mr. Harding.]

In addition to this, P.W.A. flights to Cranbrook will bypass the Castlegar airstrip with the Boeing 737, 95-passenger plane. The smaller 18-passenger planes are extremely limited in the amount of freight and express which can be handled. It is expected that they can provide a more continuous service to the airport than the larger planes, although the increased percentage of landings might well be disputed.

On the whole, the picture of air transport from Castlegar would seem to have been adversely affected by this move. Even the limousine service from the Castlegar airport will be affected. Now, limousine service runs to Nelson, Trail and Castlegar, and this service caters to a DC-6 capable of carrying 84 passengers. What kind of service will be provided for an 18-passenger plane which is partially loaded before ever reaching Castlegar? The answer is obvious; the limousine service will have to cease, and the air carrier service will receive another black eye.

Even the airport committee has been bypassed by the commission. Plans were in the offing to increase the capacity of the airport to handle 100 passengers at a time. An expenditure of $150,000 was planned. This expansion will most likely have to be cancelled.

• (10:20 p.m.)

Time does not permit me to give all the details or background of the need for increased service; we do not want decreased service. These few remarks should show the need for immediate action and review by the Department of Transport. It is much easier to prevent a foolish error than to correct it once it has been made.

I urge that the transport department hold an immediate and complete review of the situation. May I suggest to the Minister of Transport that the following points should be given prompt attention. First, a formal hearing in the area concerning the proposed changes should be held. Second, a check on the carrying capacity of the aircraft to be used by the proposed carrier should be carried out. This point relates to both passengers and express. We should see if the capacity is inadequate. Third, there should be an examination of retrogression of service, of the lack of direct access to Calgary, of extended waiting periods at Cranbrook for aircraft to the east, and so on. Fourth, there ought to be an examination of the feasibility of limousine service at these centres. Will such service, which is dependent in part on passengers

from 18-seat aircraft, be feasible? Fifth, the loss of revenue to Castlegar Airport because of proposed changes should be investigated. And, sixth, there should be a study of the drastic economic effects resulting from the fact that over 70,000 citizens of the area in question do not have adequate air transportation.

I urge the Department of Transport to look into this problem without delay. I trust that the local municipalities will have an opportunity to give their views on this all important matter of air transportation.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Transport reports that the Canadian Transport Commission gave public notice of the application of B.C. Airlines to operate local services on Canadian Pacific Airlines' southern route. The municipalities were notified in this manner and could have sent representations to the Commission for examination. The Minister of Transport is investigating further the points raised by the hon. member and will report his findings later.

Mr. Speaker: The motion to adjourn the house is deemed to have been adopted. The house stands adjourned until two o'clock tomorrow afternoon.

Motion agreed to and the house adjourned at 10.20 p.m.

END OF VOLUME V